Daily Report

Latin America

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FBIS-LAT-92-184 *22 September 1992*

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Argentina

Foreign Minister Guido di Tella will meet with his British counterpart Douglas Hurd "to express the Argentine Government's 'dissatisfaction'" with the British Government's decision to authorize the Falklands administration "to call a bid" for oil prospecting in the waters around the archipelago, according to TELAM. The Foreign Ministry called this decision "unilateral" and "reminded" British officials that "there is a sovereignty dispute" in this area as established by the United Nations. President Carlos Menem has "criticized" the British Foreign Office announcement and "warned that 'such a measure prompts Argentina to respond with a measure of a similar nature.'"

Brazil

Rio de Janeiro TV reports that Rosane Collor's secretary has "confirmed to Federal Police that she received money from ghost depositors for Rosane's and the Casa da Dinda's expenses." Maria Isabel Teixeira has been charged with receiving several checks from ghost account holders which "total almost $1 million." Although she admitted receiving the checks, "she is unaware of the money's origin."

El Salvador

San Salvador radio and television carries live President Cristiani's address to the nation in which he discusses the problems of the economy and the implementation of economic measures. Cristiani states, "We have chosen to face the problems with seriousness and responsibility," and states a "balanced solution" to the problem is to increase revenues and reduce expenses. A value-added tax (VAT), he says, "will allow us to increase the number of taxpayers to increase income." The number of taxpayers will increase from 11,000 to 40,000 with the VAT. In addition, Cristiani states, "We had to increase the CEL [Lempa River Hydroelectric Executive Commission] tariff." "It was necessary," he says, "to bolster the CEL's resources a little by having everyone pay a little more for power."

Cuba

Shining Path Said To Want U.S. Invasion

FL2109122392 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 21 Sep 92

[Text] From La Paz, Bolivia, PRENSA LATINA reports that the Peruvian group Shining Path was promoting a U.S. invasion of that country in order to expand to neighboring countries. According to Peruvian officials, the head of Shining Path was arrested as he was preparing for a major offensive, not to take power but to make Peru ungovernable and provoke a U.S. military invasion. An invasion would allow him to join with the Army to combat the foreigners and spread his operations to Bolivia, Colombia, and Ecuador, where it is said he had already made contacts. For his part, Bolivian political analyst Jorge Lazarte has asserted that Abimael Guzman's capture has not solved Peru's problems. He has asked for less triumphalism in Latin America and greater concern about solving serious structural defects that may give rise to outbreaks of insurgency.

Vice Foreign Minister Condemns Torricelli Bill

FL2109122292 Havana Radio Progreso Network in Spanish 1100 GMT 21 Sep 92

[Text] Cuban Vice Foreign Minister Ramon Sanchez-Parodi told the weekly newspaper TRABAJADORES that Cuba will continue to condemn the U.S. policy of force and embargo. In his opinion, the Torricelli bill is an update or modernization of the justification of the embargo policy, used by the United States for 30 years against Cuba, and is a change of face but leaves the previous anti-Cuban measures intact.

Sanchez-Parodi said the ratification of this bill is imminent. It could happen in the next two weeks when the U.S. House of Representatives and Senate will take it under consideration.

Havana on U.S. 'National Reconnaissance Office'

FL2109121792 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Sep 92

[Text] The U.S. Government today admitted to the existence of a new spy agency, the National Reconnaissance Office [Oficina Nacional de Reconocimiento]. That institution, created at the recommendation of the Central Intelligence Agency [CIA], is in charge of spying by satellites and aircraft and has a budget far bigger than that of the CIA, according to reports from various press media.

Colombian Delegation Urges Market Economy

FL1909021092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 19 Sep 92

[Text] The working visit of the businessmen's delegation of the National Association of Exporters of Colombia, Analdex, has ended in Havana with prospects for new ways for Cuba and Colombia to do business.

A Cuban-Colombian trade dialogue [words indistinct] with the signing of a commemorative document by Cuban Chamber of Commerce Vice President Porfirio Mederos and Analdex's General Coordinator Andres Suluaga. Colombian Consul General Gustavo Orozco attended the closing ceremony. The consul termed satisfactory the preliminary results of his country's trade mission [words indistinct] (?work sessions).

The group, which represented 12 commercial firms, had first traveled to Jamaica, Puerto Rico, and the Dominican Republic.

[Begin Suluaga recording] We found an important tendency on the part of many of the Cuban firms to begin working the mixed economy a bit, the market economy, the possibility that there may be foreign investments here in Havana. And we think this is a good sign of change. Now, we think it would be nice if it could be a little faster, because we are totally convinced that if Cuba follows this tendency, or accelerates it, under the best of conditions it is going to be, if not the most important, one of the most important countries in Latin America in the 21st Century. [end recording]

There are possibilities for joint business ventures between Cuba and Colombia; among the trade topics discussed with Analdex are tools for the construction industry and agriculture, the food products branch, accessories for bicycles, and items for the home.

New Havana Province First Secretary Elected

FL2109014992 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Sep 92

[Text] The special plenum of the provincial committee of the Communist Party of Cuba [PCC] was held today in Havana and was presided over by Jose Ramon Machado Ventura, member of the Politburo of the PCC's Central Committee. At the proposal of the Politburo, the plenum of the provincial committee of the PCC in Havana Province today elected Comrade Candido Palmero Hernandez its first secretary.

The man promoted, Palmero Hernandez, who is a member of the Politburo of the PCC's Central Committee, was the head of the Blas Roca Contingent, more than half of whose forces are doing agricultural and construction work in different places in Havana Province.

Summing up the feelings of Party members and cadres upon relieving Victorino Lemus Rivero of his duties as first secretary, the plenum of the provincial committee recognized the efforts made by Lemus as the head of the Party in Havana for over five years.

Upon introducing Candido Palmero to the plenum, Politburo member Jose Ramon Machado Ventura pointed out the importance of this movement of cadres for strengthening the Party in the province, by putting

(?them) in charge of producing food supplies for both Havana and Havana City Provinces; and he highlighted Victorino Lemus' devotion to that and other tasks entrusted to him during his many years of work dedicated to the party.

Machado Ventura assessed Palmero's evolution, his successes at the head of the Blas Roca Contingent, his initiatives, his dedication, and his work methods linked to the masses—experiences that will have a positive effect on the Party's work in the province.

The 44-year-old Palmero joined the Party in 1967. He has held several different party positions and was a member of the organizing committee for the 4th Party Congress, at which he was elected a member of the Politburo of the Central Committee. Palmero spent some nine years in the Revolutionary Armed Forces. He participated in the clean-up of the Escambray and served on an internationalist mission in Angola. He has held several different administrative positions and is a member of the national committee of the CTC [Cuban Workers Federation].

Young Communists Hold Plenum on Sugar Harvest

FL2109025392 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Sep 92

[Text] Diminishing the fluctuation of the labor force in the nation's agroindustrial-sugar complexes where this phenomenon still occurs was the topic most discussed at the national youth plenum on the sugar harvest that was held in Manzanillo, Granma Province. The plenum was presided over by Roberto Robaina, a member of the Politburo and first secretary of the [UJC] Union of Young Communists.

The 170 delegates from the nation's various provinces traveled by bicycle from Manzanillo to La Demajagua National Park, the site of the historic uprising of 10 October 1868, where, amidst nature, they analyzed any problems that might possibly arise to hinder the unfolding of the next sugar battle.

During the last sugar harvest, the young people's harvest work groups handled 84 million arrobas of cane, doing cutting, (?picking up, and loading).

This plenum ended with a mass meeting in (Troya), a cane camp [batey] at the La Demajagua Sugar Refinery in Manzanillo, where Robaina, using a cane-cutting combine as a speaker's platform, said:

[Begin Robaina recording] And to work in the harvest at a time such as this is to build and defend the fatherland. To work in the harvest at a time such as this is to build and defend the revolution. To work in the harvest at a time such as this is to build and defend socialism. And as much in your names as in the names of all those who have...[rephrases] those who are and who are not with us, we interpret (?the watchwords). And in the name of Cuban youth, we convey to Fidel the watchword that is going to keep us close to him forever: Wherever, [crowd begins reciting along with Robaina] however, and for whatever the task, Commander in Chief, just give the order! Fatherland or Death! [Crowd responds: We will win]. So long to you all! [end recording]

Water Crisis in Santiago de Cuba Discussed

FL1809143392 Havana Radio Rebelde Network in Spanish 2300 GMT 17 Sep 92

[Report by correspondent Esteban Rebilla Aranda]

[Text] Esteban Lazo Hernandez, a member of the Communist Party of Cuba [PCC] Politburo and PCC first secretary in Santiago de Cuba, has pointed out the efforts being made with local and national resources to confront the emergency situation that exists in supplying the population with water.

A contributing report for this newscast by our colleague Orlando Gonzalez Saldivar of the provincial station CMKC Radio Revolucion states that at the meeting held to discuss this issue, Sonia Rodriguez, the minister president of the State Committee for Material and Technical Supply, spoke of the allocation and requisition of resources to contribute in solving this issue.

Thus, in the coming days, 42 new water trucks from Holguin and Havana City will be added to the 50 water trucks from the province that are already providing this service to enable us to deliver the precious liquid to Santiago de Cuba residents.

Jorge Acioleas, the director of the National Water Resources Institute, reported on the work being done on the Mogoti pipeline which currently brings water to Santiago de Cuba from the Carlos Manuel de Cespedes Dam in Contramaestre with a water volume of over 130 million cubic meters. This pipeline is considered the main resource with which to confront the problem.

Also in the short term, although less immediate, dams across the Guaninicum River and Caney del Sitio in Palma Soriano will be built, as well as a tunnel to carry water to the Gilbert Dam where the water can reach Santiago de Cuba by gravity.

Construction workers from the (word indistinct), the Caribbean Construction Enterprises Union 21, and other forces expressed to Lazo their willingness to complete these projects as quickly as possible.

Roundup of Economic Activity Reported 15-18 Sep

FL1809194092

[Editorial Report] The following is a compilation of reports on economic developments in Cuba carried on Havana radio and television between 15 and 18 September.

Havana Radio Progreso Network in Spanish at 1100 GMT on 15 September reports that Havana Province

has produced 5.877 million quintals of tubers and vegetables since January. Production of the Alquizar miscellaneous crop enterprise is expected to reach 1 million quintals.

Havana Radio Reloj Network in Spanish at 1930 GMT on 15 September reports that mobilized contingents in Alquizar municipality, Havana Province, have harvested 500,000 quintals of vegetables and are preparing 124 caballerias for winter planting.

Havana Radio Rebelde Network in Spanish at 2300 GMT on 15 September reports that innovators from the Sergio Soto Oil Refinery in Cabaiguan Municipality, Sancti Spiritus Province, are using waste water as cooling emulsions when working metals in machines and tools, in place of imported soluble oils. Radio Rebelde also notes that in the first six months of the year, 495,300 families benefited from a new home-delivery service that delivers food to residences by messenger. This method of distribution is for the general public; those in areas that have the service appear to be very satisfied with it, since it eliminates standing in line.

Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0000 GMT on 16 September note that repairs to a Havana soap factory will increase production from the former 24 tons daily to 32-35 tons. Operations will resume by the end of September.

Havana Radio Reloj Network in Spanish at 1410 GMT on 16 September reports that more than 700 quintals of soybeans have been gathered this year in the first four caballerias harvested in Sancti Spiritus Province. These yields are consistent with preliminary estimates.

Havana Radio Reloj Network in Spanish at 1930 GMT on 16 September reports that the workers of Santiago de Cuba's (Retomet) medical equipment enterprise are producing nontraditional instruments and parts, in view of a lack of resources with which to produce what they had planned. Radio Reloj also reports that the modern Juan Gualberto Gomez International Airport in Varadero has brought in $45 million and has served more than half a million tourists. According to Airport Director Leonardo Perez Perez, seven foreign airlines provide regular links to America and Europe.

Havana Radio Rebelde Network in Spanish at 2300 GMT on 16 September reports the following provincial items: Havana workers at a manufactured gas plant are trying to repair pumps; Pinar del Rio Youth Labor Army workers have planted 63 caballerias of vegetables; Matanzas nitric acid plant engineers have recovered production through technical modifications; in Granma, 1,500 oxen are in use in agriculture; in Holguin, Chinese technology has increased the production of electric motors.

Havana Radio Rebelde Network in Spanish at 1155 GMT on 17 September reports that 150,000 quintals of plantains have been harvested in Palma Soriano Municipality, Santiago de Cuba Province.

Havana Radio Rebelde Network in Spanish at 1930 GMT on 17 September reports on plans to use microjet irrigation to increase banana and plantain production over the next four years in an unspecified area. The goal, 40,000 quintals, would equal the current miscellaneous crop yield. Radio Rebelde also notes that Ciego de Avila workers have harvested 15 caballerias of rice by machine; 1,600 laborers are working on mini-dairy farms.

Havana Cuba Vision Network in Spanish at 2220 GMT on 17 September reports that Guantanamo's production of miscellaneous crops is projected to double next year to 1.8 million quintals, with a winter planting of 750 caballerias.

Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0000 GMT on 18 September reports that, as a result of repairs, the Havana soap factory will resume operations on 21 September and products will be delivered by month end; although production will improve, there will be no increase in distribution because of a lack of raw materials.

Havana Radio Rebelde Network in Spanish at 2300 GMT on 17 September reports that Ciego de Avila Province has begun harvesting 15 caballerias of rice to supply Santiago de Cuba contingents working locally. Radio Rebelde also notes that a house of languages will be inaugurated in Havana City on 27 September to promote language industries and provide tourists information on language courses, international conferences and seminars, publications in foreign languages, and translation services.

Havana Radio Rebelde Network in Spanish at 0900 on 18 September reports that since the harvest began in August, the Isle of Youth has sent more than 1,200 tons of grapefruit. It further reported that 237,000 quintals of tubers, vegetables, and grains have been harvested in self-sufficiency gardens in Havana Province.

Havana Radio Rebelde Network in Spanish at 1155 GMT on 18 September reports that a factory in Sangua la Grande Municipality, Villa Clara Province, will produce water pumps under an agreement with a Korean enterprise.

Havana Radio Rebelde Network in Spanish at 1700 GMT on 18 September reports the following items: Automatic irrigation systems will be installed in Guira de Melena farms to conserve water and energy; Granma rice growers have harvested over 100,000 quintals; coffee growers have improved quality through the use of biofertilizers; agricultural research centers are experimenting with biofertilizers on plantains and expect high yields with the use of azotobacter. Finally, Radio Rebelde notes that Carlos Lage Davila is assuring the public that the implementation of economic measures will not affect social institutions.

* Increase in Food Prices Explained

92CA0214A Havana CRANMA in Spanish 1 Aug 92 p 3

[Article by Raisa Pages]

[Text] Since last December, retail prices for various farm products have changed, in accordance with the measures taken to reduce large subsidies and bring them more in line with the costs of production. This will contribute to the health of the domestic financial situation.

The family basket of farm products, although prices have risen, does not represent a significant expense. What predominates in our country is economic solvency, given that nearly every family has several incomes. Moreover, more than 1 million people benefit from social security, and no one is unprotected.

We have taken care of many of the most pressing needs that are overwhelming millions of families in the world with their escalating costs. That is why the basic concern of the average Cuban is the purchase of food, and why much of the family income is earmarked for that expense; but since the vast majority of these products are subsidized, it is not difficult to meet these expenses.

Many are unaware that included in the cost of every farm product is a large percentage of foreign exchange expenditures. For example, of 17 essential crops selected, at least a third are imports.

Some products, such as potatoes, require a large expenditure of foreign exchange for the purchase of seeds and inputs. One caballeria planted in potatoes requires an outlay of $29,238, and its total cost, converted into Cuban currency, is 31,472 pesos.

Imports account for nearly 50 percent of the cost of fresh corn, while almost all of the inputs that go into producing onions must be bought with dollars.

In addition, the international prices of inputs such as seeds, fertilizers, and pesticides have a tendency to rise from one year to the next.

Until now, these fluctuations were not reflected in the prices paid by the population, which remained unchanged for many years.

But now it is time to put the house in order, and since the end of last year an effort has been made to bring prices in line with the real costs of production, in both national and foreign currencies.

The stimulation of an important group of products involves a movement of so-called wholesale prices, so that private farmers will receive a fairer compensation for their efforts and will feel inclined to grow crops that, by nature, require more labor and inputs to produce.

At the same time, the pay of farmworkers has been raised to give them the social recognition they deserve and to bring them up to the level of other trades and occupations in a society that subsists on agriculture.

To maintain a stable labor force in the farm sector, the state has spared no effort to provide adequate facilities, good food in the dining halls, and proper transportation for those who are mobilized. Every camp has a doctor, a nurse, and a primary care infrastructure.

The costs of the localized irrigation system in the banana sector and the tremendous national and foreign currency expenditures involved in producing this crop were explained recently. The high yields of a crop of this type at peak production make such investments advisable.

In May and June, the prices of 11 products were changed. In addition to bananas (which were mentioned in a previous article), the products are okra (60 centavos a pound), kidney beans (40 centavos), cucumbers (20 and 15, depending on the quality), mangoes (premium quality, 40; and local variety, 30), fresh corn in the husk (15), eggplant (20), and dried corn, stripped from the cob (25) or on the cob (20). In July, sweet potatoes (20 centavos a pound) and water melon (15) were added. It should be recalled that the price of malangas [a type of sweet potato] and bananas purchased for dietary reasons is 50 percent of the established price.

Since 1988, specialists at the State Committee on Prices and the Agriculture Ministry have been working on a system to update the economic and social content of both levels of that category, in terms of both wholesale and retail prices.

For many years the immobility of farm prices accustomed consumers to finding goods at the same prices, or even lower ones when quality was down, but never higher ones.

The Cuban State will not leave the lowest-income families unprotected. The recent increase in social security and public assistance benefits reflects that concern.

The consumer, therefore, must understand the need for this price adjustment to contribute to the health of the national economy.

Haiti

Foreign Minister Benoit on OAS Mission

FL2109211592 Port-au-Prince Radio Metropole in French 1045 GMT 21 Sep 92

[Text] Twelve out of the 18 expected members of the OAS civilian mission to Haiti have already arrived. Among them are several Canadians, some Americans, several Argentines, and a representative from St. Lucia. According to Minister of Foreign Affairs Francois Benoit, the OAS civilian mission intends to help reduce violence no matter where it comes from and to reinforce the respect for human rights.

The United States and Canada think that OAS Secretary General Joao Clemente Baena Soares made some positive points in his efforts for a solution to the Haitian

crisis. They warmly congratulated him. The Canadian minister of external affairs interprets the sending of OAS civilian observers to Haiti as a step in the right direction.

The foreign affairs minister in the consensus government has attempted to calm the storm of protests within the Haitian political sector upon the arrival in Port-au-Prince of the OAS civilian mission. Touchy, is the term used by Francois Benoit. The presence in Haiti of OAS members must not be interpreted as a form of intervention. The chancellor of the Marc Bazin government thinks on the contrary, the presence will maintain the negotiations in order to end the diplomatic isolation of the country. Here is reporter Rothschild.

[Begin recording] [Rothschild] Negotiations remain the sole path to take in order to reach a peaceful solution to the crisis. This is the credo of the pilot of the Bazin government diplomatic machine. In an interview granted to Radio Metropole, the foreign affairs minister asserted that no one has any interest today in maintaining Haiti in the diplomatic isolation caused by the 30 September coup.

Francois Benoit states that he is surprised at this general outcry against the OAS civilian mission to Haiti. The head of diplomacy terms as unrealistic, the remarks made by several political leaders regarding the presence of OAS observers. Benoit thinks that those political actors refuse to admit the reality, meaning that Haiti, by its resources, cannot live outside of the international community. The minister states that the government will continue to work in favor of the reintegration of Haiti into the large world family.

He also added that the fact that the OAS invited the government in Washington to hold discussions regarding the crisis represented an important step on the diplomatic side.

The foreign affairs minister points out that the duty of the OAS mission in Haiti is clear. Francois Benoit termed as disagreeable the thesis supported by several political leaders, meaning that this mission could represent a foreign intervention in small doses.

[Benoit; in Creole] That is really a hot-tempered statement. I do not know what gain those political leaders are seeking. However, the people should not let anyone bluff them. In fact, there are 18 OAS members. If you look carefully at Aristide's request, it was for 500 people. From 18 to 500 people, I think there is a major difference.

When you consider the difficulty that the OAS has in finding people who can do the work, because the conditions and the qualifications of those people are very clear. They must not only have a background which allows them to evaluate the Haitian situation, they must also speak the language of the country, which reduces automatically the spectrum or field of action that the OAS could have to send people here in (?numbers).

Those are things that the politicians will use, like it is an occupation in small doses. The fact that it is being reintegrated in the international context, is already a major gain, something that we think is very positive and that will make the international community realize our desire to negotiate, our desire to talk with them, and most of all, our firm desire and decision to come out of the crisis.

I would like to warn the population that according to some information that we have, several people are going to take advantage of the OAS presence to organize unrest in order to make the OAS see that there are problems. They are going to create problems so that the OAS will take note. We have already informed the OAS about this potential so that they can prevent themselves from being a catalyst for the wrong cause. The OAS is here to observe the situation as it is and as much as possible to convince the parties in conflict to slow down the violence for the national benefit.

[Rothschild] In regard to the security of the observers, which is another question raised by the political authorities, the foreign affairs minister confirms that it will be guaranteed by the Army in coordination with the government. Francois Benoit added furthermore that the government intended to send several delegates to the nine departments in the country to help the observers in case of need. The minister pointed out that these delegates will not influence the members of the mission. He hopes that Aristide's party will maintain the same attitude.

Regarding the negotiations, the foreign affairs minister stated that for now, the government has no objection to the choice of Michael Manley as the arbitrator in the crisis. Francois Benoit announced that he will talk with the former Jamaican prime minister. The date and place of this meeting have not yet been set. [end recording]

Senators Petition for Senate Office Dissolution

FL2109162692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 Sep 92

[Excerpt] The division between two major political trends within the Haitian parliament since the 30 September 1991 events, which has paralyzed the activities of this branch of power, has grown more serious. Since the closing of the fourth session of the 45th Legislature, 11 senators have signed a petition asking for the dissolution of the Senate Office for corruption and administrative malfeasance. The 11 senators signing the petition accuse Senate President Dejean Belizaire of hamstringing the political branch by preventing it from finding a solution. The senators hold Belizaire responsible for the fact that Aristide has not yet returned to power in Haiti. They accuse the first secretary of the office of supressing all letters on human rights that have been sent to the Senate.

According to the 11 signers, Sen. Larosiliere mismanages Senate funds and the administration. They accuse Larosiliere of groundlessly hiring and firing (?people) while

using several million gourdes of the Senate without giving any reports to the assembly of senators.

According to Sen. Rony Mondestin, they do not acknowledge the existence of the current Senate Office, which includes only representatives of the Alliance for Parliamentary Cohesion, the faction in the Senate that is opposed to the return of Father Aristide as president of Haiti. Sen. Mondestin believes the Senate Office must be recast so each political trend can have its representative in that office. [passage omitted]

'Many Deaths' Reported in Port-au-Prince

FL1809175092 Port-au-Prince Radio Metropole in French 1615 GMT 18 Sep 92

[Live report by Rothschild Francois]

[Text] Something unbelievable just happened in the downtown area. Perhaps, a bomb has blown up at the Vallieres drugstore. There are reportedly many deaths. Anyway, we have already seen a great number of people injured. It is very difficult to see clearly what happened exactly because the police have virtually cordoned off the area. One cannot visit the drugstore which has been completely... [pauses] Where one can see at this time the rubble of the Vallieres drugstore that was demolished in downtown Port-au-Prince a few minutes ago. So far, one does not really know whether it was a bomb. But anyway, it has resulted in a great number of victims. Even people who were on public transportation vehicles that were passing by the area were hit by flying debris.

It is something unbelievable. There is really a panic now in the downtown area because of this matter. Anyway, it is a tragedy. The number of deaths has not yet been-...[pauses] We do not yet have the exact number of deaths. However, according to people who were passing near the Vallieres drugstore at the time of the explosion of—perhaps—the bomb.... [pauses] Anyway, they told us that there are many deaths and many injured. We are still on the scene at the Vallieres drugstore area where there is now a real panic. Please keep listening to Metropole. We will have further explanations concerning the matter.

According to the statements of all those who were in the area around the Vallieres drugstore, it was a bomb. We were at the Ministry of Foreign Affairs when we heard the explosion. Everyone has nevertheless said that it is a bomb that has exploded at Vallieres drugstore. The Vallieres drugstore has completely.... [pauses] It is really the rubble that we are looking at now in the downtown area where the situation is really dramatic.

National Sponsorship Program To Assist Students

FL2109204492 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 Sep 92

[Excerpt] Approximately 30,000 children will benefit from a program which will allow parents to receive $250 to pay for school fees during the 1992-1993 school year. This is one of the decisions that was taken during a ministers meeting on 16 September. According to a Council of Ministers' communique, this is a national sponsorship program and the money for its financing will come from the government, the private sector, nongovernmental bodies, and several private individuals.

The Haitian Government already has at its disposal 5 million gourdes for its participation in this program which is scheduled to start at the latest on 15 November. According to the Council of Ministers' communique, parents who would like their children to benefit from the national sponsorship program can make requests directly to the program or through the schools where forms will be available. [passage omitted]

Belize

Price Addresses Nation on Independence Day

FL2209004292 Bridgetown CANA in English 2212 GMT 21 Sep 92

[Text] Belize City, Sept 21, CANA—The Central American nation of Belize celebrated its 11th anniversay of independence from Britain Monday with a ceremony at Court House Plaza in Belize City followed by a street parade. The celebrations began late Sunday night with an ecumenical service and a massive fireworks display over the harbour followed on the stroke of midnight by the raising of the Belizean flag. Unfortunately, due to a technical hitch, the flag failed to unfurl and fell from the flagpost into a tree. It was later hung manually from the balcony of the Supreme Court building.

A large crowd looked on from Battlefield Park on Monday morning as Governor General Dr. Dame Minita Gordon took her place before the steps of the Supreme Court for the official ceremony. In his Independence Day address, Prime Minister George Price said the country must manage dynamic change in order to survive and continue the nation building process while preserving Belize's diverse culture and spiritual heritage.

"We have to face the future of the Caribbean community, its Common External Tariff, its movement toward closer cooperation with the Central American community, the new relations in the making, in order to benefit from the modern patterns of trade, economic development, and social betterment," said Price.

He is leader of the People's United Party [PUP] which has been power for all but five years since self-government in 1961. Price said the nation must also tackle the problems of drug abuse and trafficking, a lack of respect for law and order and "a growing sense of materialism and a noticeable measure of indiscipline, the errors of the human condition."

"As we celebrate the 11th anniversary of independence we see a Belize that is at peace, rooted in a strong democratic tradition, stable and secure. We see a Belize that is on the move facing the challenges of change with confidence. We see a Belize conscious of its national patrimony and determined to protect its land and sea resources in an environment that can be sustained," said Price.

Leader of the United Democratic Party [UDP], and prime minister from 1984 to 1989, Manuel Esquivel used the occasion to emphasise the continuing political row with the PUP over the suspension of one of his colleagues from the National Assembly, which led to a boycott of the proceedings by the UDP.

Esquivel claimed he was snubbed at the ceremony."This morning on the 11th anniversary of our independence there was not even a seat provided for the leader of the opposition," said Esquivel, despite shouts of denial from members of the celebrations' committee.

Esquivel listed rights which were enshrined in the Constitution which, he said, were being routinely violated by the authorities. He said that the prime minister had failed to consult him, as required by the Constitution, before he chose the chairman of the Belize Advisory Council and chairman of the Elections and Boundaries Commission. Esquivel said proposals for changes in the boundaries of electoral divisions could only be made by the commission but the PUP had gone ahead and conducted an internal candidate selection for a non-existent 29th division.

El Salvador

President Cristiani Explains Economic Measures

PA2209042292 San Salvador Radio and Television Networks in Spanish 0200 GMT 21 Sep 92

[National address by President Alfredo Cristiani from the Presidency in San Salvador—live]

[Text] Good evening, Salvadoran people. We wish to speak about the higher prices and cost of living that we know are affecting everyone in one way or another. We wish to explain the country's economic situation so all of us can better understand why certain things are happening to the economy. One of the main factors in the state's economic policy is the handling of public expenditures. For many years we have had what is known as a fiscal deficit in our country. A fiscal deficit occurs when the state or the government spends more than it receives in taxes. Fiscal deficit is perhaps the most direct cause of inflation. That is to say, when a government spends more than it has, someone must foot the bill. Unfortunately, it is always the people who pay in the end. The people foot the bill through continually rising prices. So, inflation is a process whereby prices rise continually.

In 1989 the fiscal deficit was extremely high. Perhaps inflation was the reason why price increases in the 1980's were so high. In some years, inflation had been as high as 30 percent. We were determined to reduce the difference between expenditures and revenues. That is why inflation has been reduced since 1989. It does not mean, however, that prices have not increased, but that they have increased at a slower rate. The budget serves to determine how much the country can spend and how much it collects. I would like to explain the budget so you can see there is not much flexibility in the measures that can be taken. The budget's major component is the salaries and benefits paid to public employees. Those salaries and benefits represent three-fourths of the country's budget. In addition, approximately 15 percent is used to pay interest on debts incurred by previous governments. These two lines amount to approximately 90 percent of the whole budget. You will understand that we cannot fail to pay them. We cannot stop paying public employees their salaries or benefits, nor can we

stop paying interest on debts the country incurred in the past, because then the doors of all the financial institutions that must remain open to the country would be closed.

There is something else. Of the remaining 10 percent, the government pays what is known as a subsidy; that is, a certain amount that the government gives the producer of a service so the producer does not have to charge all that he would otherwise charge the public. The government pays the largest subsidies for electricity. This year approximately 600 million colones have been injected into CEL [Lempa River Hydroelectric Executive Commission] so it can continue to offer services at prices below what it costs to produce electricity.

We have done the same with public transportation and ANDA [National Administration of Waterworks and Sewers], among others, of course. However, those are the three areas where the subsidies are largest.

That aspect is also very difficult to handle because it does not allow much flexibility for redirecting public spending to other areas.

Furthermore, our government has faced what is probably the worst coffee crisis in decades. You may remember it had been said that the coffee sector paid the most taxes so the government could invest in services for the population. But due to the current level of coffee prices, the state does not receive a single cent from taxes on coffee or coffee exportation taxes. That reduces the state's income considerably.

In some years coffee taxes generated 500 million colones. On average it was 300 million colones per year. The current government will not receive that income because coffee prices have dropped to such a level that coffee is not taxed.

We also have something now that, although we can consider it detrimental to fiscal matters, we should not look at it that way. I am talking about the peace we have attained in our country. I am sure we all wanted peace in El Salvador.

But peace demands some responsibility from us, and it also requires part of the budget so we can undertake everything needed for the process of consolidating democracy. Many institutions have been strengthened or created as a part of the peace agreements.

I would like to make a brief account of everything included in the 1993 budget with regard to the peace agreements.

First we have the judicial branch. The Constitution and its reforms demand that we increase the judicial branch's budget gradually until it has an allotment of 6 percent of the state's total income. As it used to have a very small income, it was decided that the amount invested would be increased gradually. This year we must increase the judicial branch's budget by approximately 138 million colones.

The Supreme Electoral Tribunal is not new, but it does have more personnel. It now has five magistrates while there used to be only three councilmen. The Supreme Electoral Tribunal has had to reinforce all aspects of the electoral system to guarantee pure, free elections.

In that sense, we must also bear in mind that there will be a new electoral campaign in 1993 that will require additional spending from the Supreme Electoral Tribunal. As for the ordinary budget, the Supreme Electoral Tribunal will be allotted approximately 28 million colones.

We also have a new entity: the Attorney General's Office for the Defense of Human Rights. This new entity has been allotted 10 million colones.

The new state intelligence organization has been created under the Presidency of the Republic and has 10 million colones.

We also have the new public security corps, formed by the National Academy of Public Security, which was allotted 88 million colones.

Under the Finance Ministry, we have the National Civilian Police, which is still being formed. That budget will be increased in 1993, but it already requires some funding. The needs of the National Civilian Police will continue to grow in 1993. It has been allotted approximately 60 million colones for this year.

There are also other organizations, like COPAZ [National Commission for the Consolidation of Peace], for instance, that have been assigned 25 million colones.

The Agriculture and Livestock Ministry has also provided six million colones to increase the assets of the Lands Bank, mainly to finance its operations and the details regarding the structure formed by the government to implement the land transfer programs.

As you can see, this represents an additional 400 million colones, which we did not have, but it is worthwhile because it benefits the homeland and the democracy all Salvadorans want. Given the picture of inflexibility in redirecting budget funds, we have two alternatives. One is to hide the problem and say: There are new demands, but we cannot use resources destined for salaries or payment of the country's debt. We could, however, print new currency. This is called nonallocated funds because they are not supported by a production of assets and services. It simply involves increasing the amount of currency circulating in our country. This is a very dangerous operation because each bill has less purchasing power when we issue more currency but do not increase production. The total amount of bills cannot purchase more than the total amount of produced or imported assets and services. However, if these assets and services do not increase, the purchasing power of our currency, the colon, drops every time we print more bills to pay unproductive expenses.

This has been proven in many countries, particularly countries that have had governments with a leftist tendency like the FMLN [Farabundo Marti National Liberation]. The Sandinist Government in Nicaragua is one example. They issued new currency. But they did not only issue new currency, they also added zeros. What started as a cordoba was actually 100,000 cordobas in the end; and those 100,000 cordobas did not buy more than what a cordoba bought in the past. In other words, this is tantamount to hiding the problem for some time; but it creates a much more serious problem in the future. What happened in Nicaragua? What cost 10 colons early in the month cost 100 colons by the end of the month; and it cost 10,000 colons the next month because they had inflation in excess of 1,000 percent.

Another way is to go further into debt. Getting into more debt can be good, but it can also be bad. When you get into debt to invest in something productive, something that will produce and generate wealth, the debt is not bad. When you obtain credit for a small, medium-sized, or micro-enterprise, you will produce something and you will have the capability to generate enough wealth to pay for the credit without problems. However, if we go into debt to pay salaries and cover the operational part of a government, which does not produce riches, then we will have no way of paying that debt in the future. The demand on the state to pay the debt will generate hyperinflation. That is the term used for this situation, given the amount of cases that have arisen.

The cases are many: Argentina, Bolivia, Peru, Brazil—located right here in South America. Argentina has withstood inflation in excess of 2,000 percent a month. Extremely drastic measures were necessary to correct the situation because it reached unbearable proportions. To give you an idea, inflation in Bolivia was so high that you needed a wheelbarrow to carry the number of bills necessary to buy a bottle of milk. The stores no longer counted the bills; they more or less calculated the amount based on the size of the bundle of bills—or the weight of the bundle—because inflation was out of control.

That can happen to us if we adopt these populist, demagogic measures, because they only seek to hide a problem, and they will create a much more serious problem in the future. It is better to face reality responsibly. That is what we have opted to do, dear listeners. We have chosen to face the problems with seriousness and responsibility.

In order to cover the nation's budget needs, there are only three options, if we want to act with responsibility: either we increase revenues, reduce expenses, or combine both. We have decided to combine both, because we believe it is a more balanced solution. These of course, are economic adjustment measures.

Today opposition members are saying the ARENA [Nationalist Republican Alliance] Government is implementing adjustments that go against the population. In sum, they have tried to connect the government's responsible measures to neoliberalism. In economic terms, they are certainly adjustment measures. However, the adjustments are not politically motivated. That is a fallacy, a lie, and an act of demagoguery from the opposition, which tries to connect the adjustments to political motivations. The adjustments originated from the government's responsibility. Let us see some examples: Communist countries that follow the FMLN's guidelines have had to make adjustments. After the debacle in the communist system, countries like Russia have realized that there is no way to continue spending more money than the government receives. They have been forced to implement substantial price increases and adopt measures that entailed greater sacrifices for the population.

But we also have governments that follow the guidelines of Democratic Convergence. For example, we have the Government of Spain. Shortly after arriving in Spain for the Ibero-American Summit, we learned that Prime Minister Felipe Gonzalez was forced to adopt responsible adjustment measures because, according to him, his country could no longer assume that everything was perfect while all signs pointed toward disaster.

We have the United States, which given its recession and lack of jobs was also forced to adopt severe adjustment measures that affect the population. It is best to adopt these measures and make corrections at the proper time, because the sacrifices are always less than what would be required if they were not adopted. It is not true that the responsible economic adjustment measures are politically motivated. Sooner or later every country is forced to adopt these measures if it wants to act with responsibility and benefit the people. These things should be done with responsibility, not in a demagogic or populist manner.

I said the option adopted by our government is a combination of trying to reduce spending as much as possible—you already recognized that we do not have much room to maneuver—and also increasing revenues. This gave way to the VAT [value-added tax], which is not a new tax. It actually replaces a tax we were already paying; namely, the stamp tax. Certainly the VAT has an element that, although it is not greater than the stamp tax, can impose better controls on taxpayers. In other words, it will allow us to increase the number of taxpayers to increase income.

Obviously, given the urgent needs of the peace process, it was necessary to increase taxes to obtain funds to meet those needs more expeditiously. However, as you all know, the Legislative Assembly was only able to obtain a 10-percent tax increase from the 12-percent increase that we proposed. That reduction from 12 to 10 percent is equal to an income reduction of approximately 400 million colons. It is equal to what the peace process required. We must remember that the peace process required approximately 400 million colones in government spending.

Perhaps you, television viewer, would wonder about all those millions the European Economic Community and the United States offered. We have two problems here: First, the aid is earmarked for specific programs.

Although it is true that we are receiving help with the National Civilian Police, there is no help for new policemen, salaries, services, and operational expenses. Some help will come in the form of advisers and instructors who will teach classes and so forth, but we will always be in need. Meanwhile, international aid never comes quickly. There are complex bureaucratic processes leading up to the signing of country-to-country agreements, and only then are funds available. But peace cannot wait, thus the new demands in the budget. They deducted 2 percent that would have virtually enabled us to cover this sector. We must now find a source of funds to deal with all of these new, positive institutions that are strengthening our democracy.

As I said, we cannot take funds from salaries unless we decide to fire a large number of government employees, and that is not possible. We could also stop paying the country's creditors, but that would close every door to us and we would no longer receive the aid we need to complement the budget for these programs that the (?fatherland) and our democracy demand. Therefore, we had to touch something we did not want to touch: subsidies. We had to increase the CEL tariff. It now seems a little incredible or a little out of place for political parties—especially opposition parties—to criticize us. Did they participate when the CEL held seminars through the INCAE [Central American Institute of Business Administration]?

The political, labor, and business sectors have participated with the government sector, and the INCAE has informed us that all the sectors agreed that CEL's needs are essential for the country. The people must have electricity; not only so they can have the comforts of home or so they can have power, tranquillity, and amusement, but so the country's production can be increased and new sources of employment, goods, and services can be created. These are the country's sources of sustained development. Everyone agreed that somehow we must finance the CEL's investments. They all agreed it was necessary to make financial adjustments at the CEL so its income would increase.

Here is something I would like you to understand well: When the CEL seeks financing for the hundreds of millions it requires to invest in generating more power so we will not have more rationing in our country, the companies, banks, or countries making the loans will not lend the money if the company cannot repay the loan. It is like an individual who goes to a bank to ask for a loan. The first thing the bank asks is: How are you going to pay me? The creditor always makes sure his loan can be repaid. A CEL that is totally unfinanced and must be subsidized by the state in such a dramatic manner does not have credibility at these financial institutions. Thus it was necessary to bolster the CEL's resources a little by having everyone pay a little more for power.

Even with the increase, our power rates are not higher than those of the rest of Central America. In many cases our rates are below those of neighboring countries facing the same difficulties. However, to give you an idea of the CEL's dramatic lack of financing, during the drought when we were forced to ration power, we tried to reduce the hours of rationing by purchasing power from Guatemala. Guatemala offered and kindly provided us with power, but at their price. We paid Guatemala one colon and 13 centavos for the power we purchased, and we immediately sold it in El Salvador for 30 centavos. As you can see, for every kilowatt we received from Guatemala and sold to you, we immediately lost 80 centavos. That is why CEL's deficit must be corrected. According to the INCAE report read at the seminar, all sectors, including the opposition political sectors, agreed to this.

Politicians, however, go even further, and I really think it is time to end demagoguery and populism in our country. People are sometimes deceived by demagoguery, but we know the Salvadoran people are intelligent, and eventually they will not be fooled by those situations. Just remember what the Christian Democratic Party did and you will realize it was pure demagoguery, particularly coming from what was a ruling party. The party's secretary general, Dr. Fidel Chavez Mena, was planning minister, and he understand the problem very well. That will show you the extent of their demagoguery.

The Christian Democrats proposed a 20-percent salary increase based on the VAT. That 20-percent increase would represent a disbursement of 1 billion colones for the state. I would like to ask the Christian Democrats: Where do you propose we get the 1 billion colones? Are we perhaps supposed to acquire a larger debt like you did so we can enter a hyperinflation process? Are we supposed to print more money so prices will continue to rise? Would you not prefer that we be honest with the people when we do not have something? Should we not be responsible and face reality? We think we should be responsible. Theirs is pure demagoguery. They never said where they plan to get the 1 billion colones. They do not tell us because they do not know where they can get the money, and if they get it like they did in the past, we would face much more serious problems.

We also have the Democratic Convergence and the FMLN demanding this and demanding that, and of course opposing all efforts to find whatever resources the state needs to render its services. We will see a special case: the FMLN's position concerning CEL. The FMLN says electricity bills are terribly high, but we should remember that the main objective of the FMLN's terrorist attacks was destroying the electric system. The cost of repairing what the FMLN damaged for many years is 2.67 billion colones, which must now be paid by all the people.

What we could have done with such an amount if the FMLN had not destroyed the electric system! For example, we could have built 100,000 houses at 30,000 colons each to solve a large part of the country's housing deficit. Yet the FMLN now comes and complains about something for which it is partly responsible. We must be reasonable because the country currently faces a special situation. Our country demands caution and wisdom rather than virulent statements, confrontations, and radical positions—particularly demagoguery and populism.

The VAT represents an extremely important element. We would like to discuss the issue in public, perhaps for the first time. It is true our people are not used to paying taxes to the state. On the contrary, Salvadorans have always believed that whoever pays the least taxes is the one who does things best. We all try to avoid paying taxes, and that system must stop. Our progress, democracy, and peace will not be paid for by other countries. We must pay for it ourselves. That is why we must abolish this system of tax evasion and contribute our fair share. Taxpayers certainly hope the government will not squander their money, above all that public officials will not steal their money.

We must insist on this and fight government corruption because it is not fair for people to pay if their money is not going to be used to render services and help them where they need it most. We must change our attitude, and the VAT will allow us to implement controls and mechanisms so more taxpayers will pay their fair share. We have seen a good sign: The stamp tax revenue previously listed 11,000 people, but we now have about 40,000 with the VAT. That is positive. We must all help so we can make progress in the country. The government's fiscal policy is to implement fair and adequate income tax brackets rather than the old 65-percent system or the one that imposed taxes on the lowest salaries. We have reduced rates and raised the level of the tax-exempt bracket so those who earn less do not pay taxes, and those who have more pay more. That is why the VAT was necessary in our country. The VAT's implementation is traumatic and complicated—much more complicated than the stamp tax—but all countries have experienced the same thing. This is not a phenomenon that only affects El Salvador, where we are having problems implementing the new tax. All countries have experienced the same problem, but practically all countries have implemented the VAT.

Dear listeners, we believe we have overcome the problem. Things will return to normal. We are quite sure of that. What can we do? How do all the problems I explained relate to the price increase I mentioned earlier? The measures we have implemented have certainly increased the prices of certain assets and services. The VAT has increased the price of products that did not include the stamp tax. No one can justify an increase in the price of products that already included a stamp tax, yet we know speculators have increased those prices. We must fight that practice. Solutions do exist. We believe an acceptable solution is possible. We have examples of how a price increase can be appropriately implemented without speculating and exploiting the consumer.

The government is quite clear about this. We will protect the consumers from speculation, but we will not necessarily do it by implementing the measures populist and demagogic governments favor—meaning price controls. Price controls have not worked in El Salvador or in the PRC. Market values determine the final price consumers must pay—everywhere. Let us review a clear example that applies to our country. Remember corn was subject to a price control in the past. The Christian Democrats and the IRA [Institute of Supply Regulation] boasted: Corn costs 2 colones per pound! We all know the price of beans went up to 5 and 6 colones; and the price of the corn went up to 3 or 4 colones, but those were controlled prices. These controls are useless when a product becomes scarce because the price will go up whether the government likes it or not; even if it tries to control the price. We have a clear example: We produce lots of mangoes in El Salvador, and mangoes are relatively cheap in our country. We do not produce apples, and they are certainly expensive in El Salvador. Let us change countries for awhile and go to the United States. Apples grow almost everywhere in the United States and are very cheap. However, as the United States does not produce mangoes, they cost up to $5 each in that country.

These are the forces of the market. Where there is a shortage, the price is high whether we want it to be or not. Thus, price control is not the solution. The solution, in my opinion, lies within the forces of the market; competition between one distributor and another, between one merchant and another to see who has the lower price. It is important to guide the consumer.

We will inform consumers through the media so they will know—so we all will know—where they can get a product at the lowest price, where to get the best buys, and where to get the same thing for less. Unquestionably this will force speculators selling at very high prices to gradually lower their prices due to a lack of sales, and prices will then stabilize at normal levels. This point must be stressed: The media must report where the best prices are so each of us can decide where to buy, and we must buy from merchants whose prices are more reasonable. There have been too many abuses, and we must combat them by offering consumers guidance, not through totally political demagoguery and criticisms.

A few days ago I read about the Consumer Protection Committee, which is a group that belongs to an opposition political sector. That committee said the price of beans had increased from 1.50 to 2.50 colones. That is a lie. We have asked the pollsters at the Central Bank and the Economy Ministry, and they say a pound of beans still costs approximately 1.70 to 1.80. The problem lies in attempting to make a political criticism and in doing so harming the people. A person may read in the newspapers that the price of beans has gone up to 2.50. He may be a merchant from the eastern part of the

country, and he may be selling at 1.70 or 1.80, but when he reads the newspaper or listens to the radio he will say: Well, the price of beans has gone up here. I am not going to be foolish and sell at 1.70. He will raise his price to 2.50 thinking it is true. That causes prices to increase.

We should not necessarily point out the merchants who have high prices. Let us divulge who has the lowest prices to guide the consumers and force those who are selling at high prices to reduce their rates. These market forces are already operating in our country. The press is infested with sales. Some companies are saying they are going to return the VAT to the public, which only means they are going to eliminate the impact of a price increase and reduce prices. We are already seeing this competition. We must all contribute to this element, this thrust of the free market force, to truly achieve fair and stable prices.

Dear viewers, as I said at the outset, I would like to explain the country's problem. I have always believed that most Salvadoran people are sensible and understanding, and when things are explained to them they sometimes understand why we must experience certain unpleasant moments. As you know, it is not pleasant for the government to have to adopt measures that affect the population. No one likes that. We would all like to go without making sacrifices, but the fact is that life always has its difficulties, and it is best to deal with them and overcome them in a responsible manner.

The main issue, dear viewers, is that since 1989 I have been determined to build a new El Salvador, a new society, a society in peace and democracy, a society in true progress where well-being is beginning to enter every home and corner of our country. A lot has been accomplished. We are already in peace and we must take advantage of this, not ruin it. We must consolidate this peace. We must all contribute to it. We must strengthen our democracy because it allows us to live in freedom, and the Salvadoran people love freedom. We must strengthen the country's democratic institutionality to bequeath this new and better society to our children. We too will presently enjoy this society. Most importantly, however, we must remember at this particular time—a delicate time of transition in our country's existence—the words of a U.S. president who in a speech to the nation once said: Ask not what your country can do for you, ask what you can do for your country.

All of us are Salvadorans, all of us want an El Salvador in peace, progress, and freedom. Therefore, all of us must unite so El Salvador can succeed. Let us pay no further attention to negative issues, confrontations, and radicalism. Let us seriously and responsibly face the future so we will be bequeathing a better El Salvador to our children.

Dear viewers, may God bless you all. Good evening.

Trade Bloc With Honduras, Guatemala Announced

PA2009002892 San Salvador Canal Doce Television in Spanish 0300 GMT 19 Sep 92

[Report by Hermin Gongora]

[Text] Economy Minister Jose Arturo Zablah announced El Salvador, Guatemala, and Honduras will create a bloc to implement the Free Trade Agreement with Mexico.

[Begin recording] [Gongora] Zablah told the media the decision stemmed from the support each of the three nations has for their countries' industrial sector and their desire to exchange products with Mexico at lower interest rates. The official added this integration will allow the three nations to achieve a greater trade volume with Mexico.

[Zablah] It is important to note the key issue analyzed was commercial deregulation, which entails a timetable to implement the lower tariffs in our respective countries on Mexican products and achieve a reduction of the tariffs Mexico imposes on our products.

[Gongora] Commenting on the participation by Nicaragua and Costa Rica, Zablah indicated they were invited to join to further consolidate the Central American bloc, in order to comply with the agreements contained in the Tuxtla Gutierrez Document.

[Zablah] Some countries are moving at a faster pace than others. In our case, Guatemala, Honduras, and El Salvador share characteristics regarding the negotiations we can conduct, which allows us to move faster. The fact we are talking about a zone with 20 million people makes us feel confident. Another important element is that the invitation to our Nicaraguan and Costa Rican brothers to join this effort remains open.

[Gongora] Regarding the benefits the countries will obtain, Zablah said they will be seen in the short-term, as more jobs will be generated and the competition among exporters will increase. No doubt, the revenues of the three nations will increase. [end recording]

Military Communique Rejects Human Rights Abuses

PA2209040492 San Salvador EL DIARIO DE HOY in Spanish 21 Sep 92 p 10

[Text] The Salvadoran Armed Forces issued a communique on 20 September rejecting charges made by the so called "Nongovernment Human Rights Commission" against a group of soldiers.

According to the communique, the Armed Forces "rejects the baseless charges made by the aforementioned organization" and describes then as slanderous and irresponsible. Likewise, the communique points out the positions adopted by the "Commission" are "shameful" because since its establishment it has adopted positions against the Armed Forces.

The document questions the reasons "why the commission's reports have never balanced their position and are always aimed at discrediting the Armed Forces and, at the same time, turn a blind eye to the serious, systematic, and continuous human rights violations committed by the Farabundo Marti National Liberation Front and other similar groups. [no end quotation mark as received]

Likewise, it is said that "no honorable citizen can ignore that the Nongovernment Human Rights Commission is the chorus and mouthpiece of the leftist organizations in El Salvador. In addition, its messages and its constant declarations only respond to a well-planned propaganda and disinformation campaign."

In light of this situation, the Armed Forces hereby makes a call to the national and international public to urge them not to let themselves be surprised by statements originating from persons or organizations that do not seek to contribute toward reconciliation and harmony, but only seek objectives strictly predetermined by political and ideological considerations.

Honduras

Army Clashes With Armed Group at Border

PA2209032092 San Pedro Sula LA PRENSA in Spanish 19 Sep 92 p 9

[Text] Catacamas, Olancho Department—Unofficial reports circulating here indicate Honduran Army patrols have reportedly clashed with an armed group, presumably formed by Nicaraguans, in a mountain area near the Nicaraguan border.

Military authorities consulted here were initially reticent, but they later confirmed the clash had occurred.

The report indicates a combined Honduran Army and Public Security Forces patrol clashed with an armed group in the region of Patuca, about four hours away and near the Nicaraguan border. It is presumed the armed group is formed by common criminals or Nicaraguan Government dissidents.

The clash reportedly resulted in casualties on both sides but Colonel Gustavo Adolfo Flores Valeriano, who confirmed the clash, said no casualties had occurred. He added the incident had taken place at the mountain known as El Incendio.

Nevertheless, reports from soldiers on leave contradict the information. They said the Honduran Army patrols were formed by forces from the 16th and 9th Battalions in El Paraiso, and they clashed with heavily armed groups "beyond the Patuca River."

It has been learned the 115th Brigade is permanently stationed in the area where influential people are cutting down trees and clearing the area along the Coco or Segovia Rivers. No one knows if these patrols have instructions to control the forest predators or to protect them.

* President Cites 'Crisis' in Education

92CA0206A San Pedro Sula TIEMPO in Spanish 5 Aug 92 p 2

[Text] As the Commission for Modernization of the State began yesterday, 4 August, to debate an educational reform proposal, President Rafael Leonardo Callejas denied that his government intends to privatize the country's educational system.

Nevertheless, the chief executive warned of the need to promote reforms in education to correct the "crisis" that prevails in the sector, where only one out of every 95 children manages to complete his education at a university.

Callejas said that, according to the Constitution of the Republic, the state is responsible for the education of the people, but that the cost-benefit ratio of investment in the educational system must be examined.

He stated that education is the area that has received the most benefit from the national budget. He said that education receives, at present, a 20 percent share of the budget, but that it is the least productive in terms of results.

"The budget has not been stingy with education," the chief executive said, speaking before the members of the Commission for Modernization of the State at the presidential palace.

"We must face up to the situation in the educational system, because the crisis is serious," said Callejas, who pointed out that the average Honduran receives only 3.2 years of schooling.

He asserted that only 6 percent of the country's children receive preschool education and that parents do not participate in the educational process.

Half of the school children do not have desks, and 60 percent of the 10,000 schools in operation in the country are in poor condition.

Callejas said that his government is prepared to accept the recommendations approved by the Commission for Modernization of the State because there are professional people in Honduras who are capable of providing alternatives.

The president spoke of the disorganization that prevails in the educational system in which, for example, the president appoints teachers and does not even know them.

A poorly paid teacher, born in Choluteca, is sent to Colon, where no one knows him; teachers are appointed through political influence and from the teachers' colleges themselves.

He stated that there is a law governing the appointment of teachers, but the same teachers' colleges, which fatten their enrollments by the appointments of new teachers, do not want it to be applied.

Callejas said that the results of the educational reforms would not be seen for some 20 years, but it is urgent to make these reforms to be able to offer a better future to the people and to the country.

He warned that the educational reform proposal will face political and even ideological opposition, but he said that his government is ready to support reforms.

* CHE: Government Caused Economic 'Stagnation'

92CA0206C San Pedro Sula TIEMPO in Spanish 31 Jul 92 p 3

[Excerpt] The Honduran College of Economists (CHE) declared yesterday, 31 July, that the government's imposition of the program of economic adjustment has stalled the country's economy and called for national unity within a framework of ideological pluralism.

This position was outlined yesterday at the economists' seventh congress by Miguel Angel Funez and Leovigildo Rivera in a paper titled "Strategic Choices for National Development," in which the economists pointed out the effects of the government's economic measures and proposed general policies for a new program.

The report, prepared under the auspices of CHE, indicates in its introduction that the economic measures being implemented do not meet the aspirations of the people and are causing increased poverty and dependence, a decline in moral and cultural values, crime, the breakup of families, and the loss of sovereignty.

Among the social statistics that stand out are the following: 71 percent of the population lives in conditions of poverty and half of these are under the poverty level, 900,000 persons are unemployed, a million peasants live on unproductive small farmsteads, and 300,000 are without land.

The economists believe that the economy is in a period of stagnation because gross domestic product [GDP], in real terms, grew by an average annual rate of only 0.8 percent, which means a per capita decline of 2 percent.

The fiscal deficit dropped from 7.3 percent of GDP to 4.3 percent, although it did not reach the goal of approximately 3 percent, set by the IMF.

Foreign debt declined by 10 percent during the period, but calculated in terms of the devalued lempira, it grew from 6.6 billion lempiras in 1989 to 17 billion lempiras in 1991.

The cost of debt service represents close to 40 percent of the value of exports, the economists point out, but it is important to note that in this year's budget, 1.7 billion lempiras was allocated for debt service, or more than 30 percent of all budgetary spending.

In addition, there is the negative effect on small and medium-sized industry and the inflationary result, especially when the cumulative effect is considered, which reached 58 percent overall and was at 70 percent for food, health, and clothing.

On the other hand, exporters, merchants, and financial operators have obtained enormous special benefits, due to devaluation, inflation, and speculation. [passage omitted]

* Purchasing Power Drops 60% in 2 Years

92CA0206E Tegucigalpa EL HERALDO in Spanish 31 Jul 92 p 24

[Text] The economic adjustment program, supported by the International Monetary Fund (IMF) and in effect in a total of 43 countries, has caused a decrease in purchasing power of 60 percent for Hondurans during a 24-month period, according to the former president of the Central Bank, Gonzalo Carias Pineda.

At the same time, the Honduran economy registered a slight increase of 2.2 percent in the gross domestic product (GDP), compared with a rise of 4.3 percent in 1989. The level of production of 1989 has not been overtaken because the adjustment measures stopped the growth curve in basic sectors, such as agriculture, industry, and construction, Carias Pineda claimed.

Also, the mining sector, which began to improve in 1988 and grew by 13 percent in 1989, showed negative growth of -9.0 percent in 1990 but moved to a positive growth figure of 5.6 percent in 1991, Carias added.

Contrary to what had been announced earlier, the former chief of monetary policy stated that the figures recently revised by the Central Bank show an improvement over those of 1989 and show a real growth of 4.3 percent, due to investment in the public sector for the "Concepcion" dam and in the private sector for industrial parks.

In the foreign trade sector, Carias said that the economic adjustment program logically should have slowed the rate of growth in the balance of payments deficit, but the goods and services accounts reached $346.3 million in 1991, compared with $266.3 million in 1989, a deficit caused by the fact that exported goods are subject to quotas.

Inflation increased by 35.2 percent from 1989 to 1990, equivalent to a loss of purchasing power of about 60 percent in the short period of 20 to 24 months, with the greatest impact on food, health, and clothing.

The increase in prices was due to devaluation, Carias said, because the first devaluation carried out was on the order of 100 percent, while the lempira was overvalued by only 38.5 percent. The lempira reached a price level ranging from 5.60 to 5.80 to the dollar, which required

the Central Bank to modify the exchange rate and fix it at 5.50 lempiras to the dollar.

Nevertheless, fluctuations in the exchange rate continued. The rate changed five times in a period of 10 months because the cost of money was determined by competition with the unofficial market, instead of a real, effective rate of exchange. Two mistakes were made: Speculation was encouraged through price increases (inflation), and an unnecessary devaluation was carried out that encouraged neighboring countries to strip Honduras of goods, coming here to make their cheapest purchases.

As for public finances, the government reduced the budget deficit by 200 million lempiras. The deficit now equals 3.0 percent of GDP, which means that current government increased rapidly, by 43 percent.

Gonzalo Carias said that the outlook for spending in relation to tax revenues is worrisome because, according to the 1992 budget, the deficit will be growing again to 5.0 percent of GDP due to the effect of devaluation on foreign debt service and because of salary pressures.

The former president of the Central Bank confirmed, on the other hand, that the agreement reached with the IMF requires restrictive monetary and credit policies, as well as freeing interest rates in the banking system, achieving bank deregulation in the near future, and unifying foreign exchange rates. This economic program leaves the responsibility for its financing to the private sector.

* First-Half Inflation Rate at 11.8 Percent

92CA0206D Tegucigalpa EL HERALDO in Spanish 8 Jul 92 p 2

[Text] Accumulated annual inflation during the first half of 1992 reached 11.8 percent, compared with 39.2 percent for the same period of 1991, according to official data.

The Department of Economic Studies of the Honduran Central Bank announced that the General Index of Consumer Prices (IGPC) for June showed an increase of 0.1 percent over that of the previous month (May), which was 0.4 percent.

June registered a substantial increase in the transportation index of 4.1 percent due to a rise in the price of gasoline, but this increase was compensated by a fall in the food index of 0.3 percent, which is the most heavily weighted index in the IGPC.

Inflation measured from point to point, or the increase shown in June 1991 compared with that of June 1991, registered a change of 7.7 percent.

At the same time, an analysis of accumulated inflation over the past 12 months (July 1991 to June 1992) showed a change of 19.8 percent.

In June, the price of wheat flour in Tegucigalpa increased by 17 centavos compared with the price in 1991. A gallon of vegetable oil increased by 11 lempiras, while the prices for a pound of beans and a pound of corn declined by 42 and 31 centavos, respectively.

One gathers from the foregoing data that the tendency toward a decrease in inflation continues, according to the Department of Economic Studies.

* Central Bank Releases Jan-Apr Economic Data

92CA0206B Tegucigalpa EL HERALDO in Spanish 11 Jul 92 pp 16-17

[Article by Wilfredo Garcia Casco]

[Text] In its first report of economic indicators, the government presented an encouraging perspective for the Honduran economy during the first four months, January through April, of 1992, which showed increases in agricultural and manufacturing output, as well as in tax revenues.

The report, issued by the Central Bank, was prepared prior to the Honduran College of Economists' publication its sixth position paper, which analyzes the "development of the Honduran economy during the period 1990—1991," and sharply criticizes the structural adjustment program that is being carried out by the government.

Although monthly and quarterly economic growth is not yet measured in Honduras, as it is in the industrialized countries, the report by the Economic Studies Department of the Central Bank notes that the principal problem affecting economic performance are the low prices earned by agricultural products in overseas markets, although the volume of sales has increased.

Coffee and Banana Prices Continue to Decline

Banana and coffee exports have increased in volume, but foreign exchange earnings declined during the first four months of 1992, according to the Central Bank.

During the first four months of 1992, 14.2 million boxes of bananas were exported, earning $111.6 million in foreign exchange, compared with 13.3 million boxes sold abroad during the same period of 1991. Despite the lesser volume, they brought in $149.9 million.

As for coffee, 773,000 60-kg bags were exported during the first four months of 1992, which earned only $63.5 million, while during the same period of the previous year, 672,000 bags were sold, which brought in $68.7 million.

Foreign exchange earnings from bananas and coffee during the first four monthly period fell from $218.6 million in 1991 to $175.1 million in 1992.

This occurred despite increased exports of bananas and coffee in comparison with previous years.

The situation regarding imports has been just the opposite since, in 1992, Honduras has spent $44 million more on imported goods, despite the fact that the country is earning fewer dollars.

During the first four months of 1992, Honduras purchased $348.9 million worth of imports, compared with $304 million during the same period of 1991.

The prices of exported products have suffered enormous declines during the period under analysis. A 40-pound box of bananas was priced at $11.23 in 1991 and dropped to $7.84 in 1992.

As for coffee, the international price was off from $102 per 60-kg bag in the first four months of 1991 to $82 for the same period in 1992.

The price of the petroleum that Honduras buys abroad declined to $17.13 a barrel in the first four months of 1992 from $21.50 in 1991.

Agricultural and Industrial Production Rises

Honduran agricultural and industrial production grew during the first four months of 1992, compared with the same period of the previous year.

Except for electric energy production and construction activity, all other areas studied reflect an increase of activity.

Electricity production dropped from 629,000 kilowatts in the first four months of 1992 to 545,200 kilowatts for the same period of 1991. Despite the decline in production, ENEE [National Enterprise for Electric Power] increased its revenues by means of price rises.

In construction, the Central Bank report shows that building permits for 214,000 square meters were granted in 1992, while permits for 234,000 square meters were granted in 1991.

In the poultry industry, the production of young chickens and eggs showed increases, as the former rose from 21.8 million pounds in 1991 to 25.2 million pounds in 1992.

Egg production grew slightly, from 97,000 boxes of 360 eggs in 1991 to 100,000 boxes in 1992.

Beef production increased from 62,000 cattle butchered in 1991 to 69,000 in 1992, and pork production rose from 13,000 hogs butchered in 1991 to 19,000 during the present year.

Gains in industrial production were strong in cement, iron bars, textiles, pasteurized milk, sugar, flour, vegetable fats, soft drinks, and liquors.

Industrial production was down for cement sheeting, vegetable oils, and beer, probably because of a decline in demand due to price increases for these

* Adecafeh: 80 Percent of Export Coffee Sold

92CA0206F San Pedro Sula TIEMPO in Spanish 8 Jul 92 p 9

[Text] The president of the Honduran Coffee Exporters Association (Adecafeh), Osmond Maduro, announced yesterday, 7 July, that 80 percent of the export coffee crop has been sold and only 500,000 bags remain.

Maduro met yesterday with Minister of Economy Ramon Medina Luna to discuss the crisis in coffee and the meetings attended by the Government of Honduras at the International Coffee Organization (OIC) in London.

Maduro said that 80 percent of the crop has been exported, equal to 1.9 million bags weighing 46 kg apiece, and that only 500,000 bags remain, which will be sold during the next few months. He did not provide the amount of foreign exchange earned by these transactions.

The president of the coffee exporters said that he was not very happy about the possible reestablishment of quotas. "I am not very optimistic that we are going to have an agreement, at least over the medium term, and therefore it is necessary to tell our growers that they should not have false expectations."

Honduras has shown that there is a market for its coffee. It has exported to more than 25 countries this year. Nevertheless, Maduro maintained that more should be done to improve the quality.

He said that "ideas were exchanged" in the meeting with Medina Luna "and very little can be done about the low prices, since generous government subsidies are not to be expected."

The president of the coffee exporters, Osmond Maduro, is the brother of the president of the Central Bank of Honduras, Ricardo Maduro. products.

Nicaragua

Chamorro Addresses UN General Assembly

PA2109235192 Managua Radio Nicaragua Network in Spanish 1545 GMT 21 Sep 92

[Speech by President Violeta Barrios de Chamorro to the UN General Assembly in New York—live]

[Text] Mr. President: Please accept my congratulations on your election as president of this General Assembly. I am also pleased to welcome the new countries that have joined the United Nations and to offer Nicaragua's friendship and cooperation.

Mr. President, almost 50 years after the signing of the San Francisco Charter, we are facing a new world order of similar importance, but one that is quite different from the world in which the UN Charter originated. The

walls of intolerance are falling, and the pillars of apartheid have begun to crumble. New democracies have emerged over the remains of dictatorships. The days of confrontations between superpowers are over, and most nations are working in favor of peace. We are building a new world order in which equity, solidarity, and the supremacy of international law must be promoted. Although this transition process toward a new world order is positive, it is not free from danger. Great contradictions prevail in the world. The expectation that East-West relations in general would bring the desired peace dividend has not materialized. There is still an urgent need for consensus, a worldwide commitment to strengthen international cooperation and reactivate economic growth and development.

The efforts carried out by a majority of UN members to promote growth and development are still limited by restricted access to new markets, lack of financial resources, absence of foreign investments, debt burdens, limitations in technology transfers, and constant inequalities in international financial and commercial systems. The coffee situation that has resulted from a drastic price reduction demands renewed efforts in negotiations for a new agreement in the International Coffee Organization. Banana producing countries expect a free market without protectionistic barriers that will take into consideration the economic and commercial realities of Latin American countries. An alarming number of persons still suffer the tragic consequences of armed conflicts, and poverty continues to frustrate hopes for a better future. Millions of children do not have access to health and education. We still hear of millions of oppressed women who constitute the majority of the world population [sentence as heard].

Our organization can become the most important mechanism to promote economic and social development by implementing the main strategies that have been proposed and agreed upon by its members.

Mr. President, the restructuring of economic and social fields in the United Nations is particularly important for Nicaragua. Such restructuring has become a reality because of the purposes we have expressed. We support the actions taken by the secretary general to improve coordination among various components and systems through overall and unified support in the countries and reforms effected by the Secretariat General through the operation of the new Economic and Social Development Program. Nicaragua supports the strengthening of the Economic and Social Council, ECOSA.

Mr. President, the peoples' aspirations for freedom and justice, respect for dignity, and the value of man are stronger than wickedness and tyranny. No obstacles will prevent the people from ridding themselves of political oppression and the culture of violence.

Two years ago I came before this same forum and described the main challenges my government would confront to make peace prevail in my country, to establish democracy, and to win the struggle against inflation. Today I can say we have succeeded.

Nicaraguans established a patriotic alliance based on peace, reconciliation, freedom, progress, and justice after the 25 February 1990 elections. It was an important step to begin building a free and democratic society, and we have been able to bring peace to the country after many years of civil war.

Once the disarmament of the 24,000 men in the Nicaraguan Resistance was accomplished, we initiated the general Army reduction plan. When I visited this Assembly in 1990 I said we had reduced the Army from (?96,000) to 34,000 troops. Today our Army has only 17,000 men. I intend to carry out the dream of a Central America where the (?sound of working hands) will forever replace the noise of weapons. We have established disarmament brigades throughout the country, and we are promoting a national restructuring plan whereby we will reduce the number of weapons in civilian hands. That plan will be carried out in various stages. This effort has yielded highly satisfactory results, and the Nicaraguan people themselves have witnessed the destruction and burial of almost 50,000 war weapons, thus diminishing the possibility of conflicts and armed confrontations.

In 1991, thanks to the efforts of our people, we established the foundations for Nicaragua's economic recovery, reducing a hyperinflation index of almost 55,000 percent to a current index of zero. We initiated the transition from totalitarianism to civilian democracy, going from a centralized economy to a social market economy. We have guaranteed freedom of expression, the communications media have multiplied, and there is total freedom of thought and religion. We have also strengthened freedom of association; there is a clear division between the branches of state; and we have the first Legislative Assembly in Nicaragua's history in which 16 political parties are represented as the result of the first free elections since we gained our independence 171 years ago.

Mr. President, I also wish to point out that as a result of that concerted effort, it has been possible to develop a successful stabilization and economic adjustment program. Public spending is balanced, military spending has been dramatically reduced, salaries have stabilized, privatization is advancing with the support and participation of workers, and new banks and private financial institutions have begun to operate in my country.

Thanks to the progress of the economic program and the support of this General Assembly in 1991 and 1992, the international community has treated us exceptionally well. We managed to get 75 percent of our debt with the Paris Club waived, and new international credits are being made available to Nicaragua. We must now reactivate the country's economy and promote its development within a framework of increasingly stronger public

order and a de jure state. Those objectives, along with focusing attention on social problems, are at the core of our immediate goals.

Mr. President, I have come to this forum to express the urgent need for full, special cooperation from the UN system for Nicaragua's economic and social reconstruction. Once pacification and economic stability are achieved, we must deal with the consequences of the war, the origins of unemployment and related problems, and the reintegration of displaced and repatriated persons in the country's socioeconomic life.

We request the international community's support for this UN program, especially as our own situation has grown worse this year in the wake of painful natural disasters such as the eruption of the Cerro Negro volcano and the recent tidal wave.

The possibilities for securing stability and promoting reconciliation and economic growth in our country are better today than when I took office. For the first time we are the protagonists of our own liberty and transformations, devoting ourselves to the task of national reconstruction. That is the common cause of all Nicaraguans.

The current democratic process in Nicaragua responds to the legitimate interests and the deep convictions of our people and corresponds with the spirit of the changes that are taking place throughout the world.

Mr. President, the great accomplishments of the last two and one-half years have been made possible to some degree by the resolute efforts of the Nicaraguan people, who have decisively faced the adversities of history, and also by the formidable support received from the international community. The international community has supported Nicaragua's efforts with its friendly cooperation. I want to take this opportunity to thank the peoples and governments that have helped us, as well as the international financial organizations such as the Inter-American Development Bank, the World Bank, and the International Monetary Fund. The sincere gratitude of the people and Government of Nicaragua goes out to all of those organizations.

International cooperation is indispensable for Nicaragua to secure and consolidate its achievements. If aid to Nicaragua is suspended, and—even worse—if the commitments acquired before the international community during the meetings of the Consultative Group, which were organized by the World Bank, are not complied with, the fields that we have been sowing with so many sacrifices will again be fertile ground for intolerance, confrontation, and totalitarianism. We must not allow that to happen.

Mr. President, two years ago in this very forum I said my dream was to see a demilitarized Central America. That is why we have tirelessly promoted regional negotiations to reduce to the lowest possible level the number of weapons and soldiers in Central America. On that occasion I also referred to my dream of a unified Central America. Today our countries are speaking with a single voice and are negotiating free trade agreements with other regional blocs. Our integration process has gained strength and momentum in all areas. The time of a strong and united Central America is growing closer every day.

With every passing day I see that our dreams can come true if there is willingness and determination. I firmly believe that Central America has made the historic and irrevocable decision to advance as a region along the path of peace, liberty, democracy, and development.

Mr. President, in Nicaragua we view with concern the fragility of democracy in developing countries. Many of those countries have chosen the path of democracy. Others, like Nicaragua, in the middle of a difficult transition, have made significant progress. We could all benefit even more from strong international support for democracy.

We are under the impression that the international community has not fully realized what is at stake in these countries. In some of them, liberty is still very fragile, and economic and social democracy is a remote aspiration.

The situation in Haiti is causing concern and suffering in Latin America. Generally speaking, new democracies lack traditional democratic institutions, economic adjustments that encourage change are meager, violence does not totally disappear, and intolerance and hatred remain. In emerging democracies, efforts to strengthen new political systems are made amid high levels of critical poverty, the inherited weight of the foreign debt, and the impact of severe economic adjustments. The medium- and short-term benefits of those efforts represent serious restrictions to boosting economic reactivation and economic growth, thus requiring additional efforts on the parts of developing countries.

With proper international cooperation, with a total effort, and with respect for the sovereignty of our countries as well as for the establishment of a modern democratic system, we shall reach the noble goals we have set out to achieve. Mr. President, with the end of the war and the emergence of peace, we have begun to set down the bases for a foreign policy of international reconciliation—one that is sovereign, nonaligned, and independent; one that permits us to establish diplomatic relations with all countries. These basic postulates give us the best opportunities to deepen our own democratic process and support those of our sister countries. We hope that significant commitments can be made among international community members during the 1993 World International Human Rights Conference, the 1994 Population and Development Conference, and the 1995 Social Development Summit.

Mr. President, the end of the cold war has granted the United Nations the unique opportunity to fulfill its important role within the international system of collective security. Various modes of peacekeeping operations

and UN participation in resolving conflicts need to be reinforced. With the beginning of peace in El Salvador and the boosting of our own peace process in Nicaragua, Central America has ceased to be an area of armed conflict affecting international security. We greet Guatemala's great efforts toward agreements and request the international community to continue giving its valuable cooperation to the commitments Central Americans have made with our own peoples.

Mr. President, it is urgent that a solution be found in the Middle East to the Arab-Israeli conflict and the plight of the Palestinian people. We hope talks will continue and concrete results will be obtained to contribute to a better dialogue and, eventually, to a definitive peace accord. We also condemn the current situations in Bosnia-Hercegovina and Iraq. In the case of Iraq, we call for full compliance with the UN resolutions, both in the humanitarian aspect as well as with the civilian population's human rights. Regarding the Bosnia-Hercegovina situation, world demands for the end of hostilities, the supply of humanitarian aid, and free access for the International Committee of the Red Cross as well as other organizations of medical and humanitarian assistance should be complied with immediately. Conditions in Somalia require firmer UN action; the world's conscience cannot accept that situation. Nicaragua has offered to take part in any humanitarian aid or peacekeeping operation in Somalia, and it is also willing to take part in any other effort to alleviate the tragedy of those dear people. We follow the South African situation with interest. We hope that its children, in a united way, begin the task of national reconciliation in democracy and freedom.

I also want to refer to the situation of a country that has 21 million inhabitants and currently has one of the most dynamic economies in the international system. It is time for us to recognize the important efforts undertaken by that nation in the economic, political, and social fields. I am talking about the Republic of China, Taiwan.

Mr. President, to conclude, I want to tell you that Nicaragua has faith in the United Nations. We are sure that your organization will grow stronger and undergo positive changes.

You may rest assured that the UN community will always find Nicaragua at its side.

Thank you very much.

* Slow Rate of Change Recommended

92CA0201A Managua LA PRENSA in Spanish
15 Aug 92 p 14

[Commentary by Luis Rivas Leiva]

[Text] When a Nicaraguan driven by an almost irresistible longing to go back home decides one fine day to return to Managua to roam the streets and see whether his friends still live where they used to live and go where they used to go, he harbors the illusion that he will savor the changes made by the new government. He soon finds, however, that many things have not changed at all and that the newspapers and television screen are filled with images of an Humberto Ortega in his general's uniform or a Daniel Ortega who can still be heard on the radio making the same threats he made while head of the executive branch. When this Nicaraguan sees the "holy mobs" committing the same outrages they always did, he starts to wonder: What is going on? Why has Violeta de Chamorro, who won the Presidency with enormous popular support and who enjoys the backing of the U.S. Government, not been able to transform the country in the direction that thousands of Nicaraguans had hoped.

The reasons are so simple and the causes so obvious that, at first, the brain cannot accept them, partly owing to the frustration of not seeing the once all-powerful Sandinist Party bite the dust of defeat.

It was a revolution that initially enjoyed near massive support of the middle and lower classes and was backed by communist and noncommunist countries alike and—why not admit it?—by many powerful sectors of American society.

It was a revolution that, even though it ended up combining the most negative aspects of all ideologies, did nevertheless bring about profound changes in the beginning and give something to people who never in their entire lives had ever had anything.

A revolution that took control of the entire nation politically, socially, and economically, that made the Army, the Republic, and its party into a single entity, a revolution that divided the family and promoted an alienating education that ruthlessly repressed the people cannot disappear from the scene overnight, as if by magic, or change structures that were planned over a period of 12 long years for the purpose of gradually building a socialist state.

A movement that once managed to inflame the imaginations of thousands of Latin Americans who saw Sandinism as the model for their own peoples does not perish through an election process such as the one held in Nicaragua, a process that, in the final analysis, is nothing more than votes.

Anyone who thinks it is simple to put an end to such a system is betraying his own intellect and, if he says so publicly, is consciously lying.

The Bush administration has understood the Nicaraguan problem perfectly and, given the impossibility of marshaling more funds to finance the contras, opted for a political settlement with the Sandinists. Yielding to pressure from the Soviet Union, unable to move ahead economically, and ideologically exhausted, the latter finally decided to take the deal, knowing that the change would mean a resumption of the flow of economic aid to Nicaragua, providing a much needed respite.

The Sandinists have clearly begun to apply to politics once again a principle that yielded excellent results in the underground struggle against the deadly Somozist dictatorship: a cooling-off period. The term meant withdrawing from the scene following any action that provoked massive persecution from repressive government agencies.

After the 1990 elections, this cooling-off tactic was employed, in addition to a reorganization of cadres into actions leading to a gradual erosion of the new government.

However, the circumstances have modified the Sandinists' strategy in the face of pressure from a number of American sectors aimed at removing them from a core of power retained after the election defeat, forcing them to rebuild their political leadership and go to the extreme of denying their own ideology.

It has been extremely difficult for Violeta Chamorro's government to fight the Sandinists and the economic disaster they caused and try to comply with the political bargain it made with the State Department, while at the same time satisfying internal sectors that, in a blend of frustration, instigation, and political ambitions, are wearing down the government from their traplike position.

The situation is so delicate and complex that any unexpected event such as the suspension of American aid could alter the process and cause irreparable damage and dangers extending beyond the purely economic area to the social and political realms as well.

Power centers in the United States that are arguing for immediate, drastic changes in Nicaragua should be more cautious and try, given the context of events, to see what would be most beneficial for the Nicaraguan people in terms of the future.

There is a great contradiction: Leaders in the United States work domestically to obtain medium- and long-term results, but part of what has made that nation great is that it demands immediate political results of peoples finding themselves under its tutelage, as in the case of Nicaragua. As luck would have it, this desire is not shared by the entire administration, which understands that the transition in Nicaragua can be a bitter pill to swallow for many leaders.

Changes are needed in Nicaragua and must be promoted, but we must remember to rely on our minds more than our hearts and carefully choose the right moment for each one.

Sudden changes have only been brought about by "revolutions," and we have already seen how they have all failed in their attempts.

Panama

Attorney General Comments on Bomb Attacks

PA2209033892 Panama City EL PANAMA AMERICA in Spanish 21 Sep 92 p 1

[Report by Orlando Mendieta]

[Text] Attorney General Rogelio Cruz said he could not rule out or confirm that members of political parties opposed to the government participated in the 18 September terrorists attacks. He did confirm, however, that the authorities are acting under the hypotheses the attacks were executed by Panamanian military personnel

Cruz statements were made after he participated in a meeting of State Security Council advisers that met to exchange information, voice opinions, and coordinate procedures regarding the investigation of the nearly simultaneous explosions of three bombs at the Electoral Tribunal, the Foreign Ministry, and Tocumen Airport.

Cruz said there is no list of military figures who are under investigation, but there is well grounded suspicion about a specific group. He declined to name that specific group.

The attorney general added he could neither reject nor confirm the participation of Majors Heraclides Sucre and Gonzalo Gonzalez, or Captains Jorge Eliecer Bernal and Asuncion Eliecer Gaytan, all currently underground.

Cruz indicated the authorities have found it quite suspicious that several groups have claimed responsibility for the attacks.

The attorney general said part of the investigation being carried out by the authorities includes a chronological comparison of the different calls made to the media before the attacks and where the callers claimed the bombs were located.

Regarding the three persons under arrest, Cruz pointed out they had been released on 19 September after it was established they were not involved.

On the other hand, Technical Judicial Police Director (PTJ) Jaime Abad said C4 explosives were used in the 18 September attacks.

According to Abad, C4 is a plastic explosive used by the military and is very rare in Panama. He explained that an investigation revealed the bomb at the Foreign Ministry was placed inside the building.

Cruz Contends Colombians Involved in Drug Cases

PA2209031592 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Sep 92 p 1

[Report by James Aparicio]

[Text] Attorney General Rogelio Cruz pointed out a Colombian citizen is involved in each drug related case

in Panama "because they normally act as a bridge between suppliers and distributors."

Cruz indicated to LA ESTRELLA DE PANAMA that the Foreign Ministry is currently negotiating an extradition treaty with Colombia that will allow the repatriation of drug traffickers back to Santa Fe de Bogota.

According to Cruz, in a majority of the cases involving confiscation of drug shipments and retaliations there "is always a Colombian involved."

Dozens of Colombian men and women remain under arrest in the El Renacer, Modelo, and Women's prisons. Two of them have been extradited to the United States.

Drug Secretary Ariel Alvarado pointed out that Panama had authorized the extradition of Colombian citizen Hector Cifuentes and is currently analyzing four more extradition requests.

Likewise, Alvarado said that most of the cocaine seized during the past 30 months belong to the Cali Cartel.

According to Alvarado "we have been able to seize heroin originating from Santa Fe de Bogota. It has not been a significant amount, but it shows they are also involved in poppy cultivation."

Alvarado also confirmed that a request had been made to the Panamanian Chamber of Construction (CAPAC) to supply information related to construction projects in Panama, Colon, and San Miguelito in light of suspicions these construction projects could have been financed with money laundering.

"It could be another way of laundering money. It angers us and at the same time it raises serious concerns," Alvarado indicated.

Government Signs Tourism Agreement With OAS

PA1909220592 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Sep 92 p 28

[Report by Esperanza Navarro Francoises]

[Text] The national government and the OAS on 18 September signed a technical cooperation agreement for the implementation of Panama's "National Plan for the Development of Tourism."

It will take nine months to implement this plan and will cost $355,000. The OAS will contribute $95,000 and the Panamanian Government will supply the rest.

The agreement was signed by Delia Cardenas, Panama's Planning and Economic Policy Minister, and Evelio Fabbroni, the director of the OAS Secretariat. The objective of the agreement is to develop the country's tourism potential by advertising and by preparing an inventory of tourism-producing sources.

Another objective is to review and update legal norms to create incentives for investments on tourism.

Cardenas explained the project will produce direct benefits to the balance of payments, will generate jobs, and will contribute to a broad and dynamic marketing and promotion of Panama's tourism assets.

Cardenas stated: "The national government has declared the tourism sector a 'national priority' because of the need to stimulate Panama's social and economic development through tourism in the very near future."

Argentina

Di Tella To Express 'Dissatisfaction' With UK

PY2109155892 Buenos Aires TELAM in Spanish 1353 GMT 21 Sep 92

[Text] Buenos Aires, 21 Sep (NA)—Foreign Minister Guido di Tella will meet tomorrow with his British colleague Douglas Hurd to express the Argentine Government's "dissatisfaction" over the British Government's decision authorizing the Malvinas Islands colonial administration to call a bid to begin prospecting for oil in waters around the archipelago.

The Argentine Foreign Ministry has described this as a "unilateral" decision and reminded British officials that the "United Nations has repeatedly established that there is a sovereignty dispute" in the Malvinas, South Georgias, and the South Sandwich region.

Mario Campora, the Argentine ambassador to Great Britain, has stated that the integration of the Malvinas Islands to the continent "will be accomplished in the medium term if the current government policy on the issue is maintained."

In a statement to a Buenos Aires radio station, Campora predicted that this integration will be achieved "if the Argentine Government, with patience and determination, continues to uphold the policy of not tolerating unilateral actions."

He added that the "Kelpers" [Falklands islanders] have become aware about they need to "cooperate" with Argentina, particularly regarding fishing in Argentine territorial waters. He said: "They have undertaken in principle a process of rapprochement because they have understood that their security and welfare depend on their cooperation with Argentina."

Although Di Tella has stated that before formally rejecting the British decision before an international forum—such as the UN General Assembly—it is necessary "to wait for the result of the seismic tests" that are being carried out in areas around the Malvinas Islands. President Carlos Menem has criticized the British Foreign Office announcement and warned that "such a measure prompts Argentina to respond with a measure of a similar nature."

Regarding the issue of sovereignty over the Malvinas Islands, Menem has said that Argentina "will not yield an iota." He added that this is "one of the most important" issues that the current administration has before the United Nations.

Di Tella has asserted that the British Government decision should not take Argentine officials "by surprise" and added that the issue is being granted "an importance that is not in keeping with the agreements that we achieved with the British."

Menem Scores Failure To Vote on YPF Bill

PY1909015792 Buenos Aires BUENOS AIRES HERALD in English 18 Sep 92 pp 1, 11

[Text] (NA-DYN)—President Carlos Menem described yesterday as "scandalous" the Lower House failure on Wednesday [16 September] to debate and vote on the YPF [Government Oil Deposits] state-run oil company privatization bill presented in Congress by his government.

Menem harshly criticized legislators, who for the second week running were unable to come up with the necessary quorum to vote on the bill after the governing Justicialist Party failed to turn out in full force to impose its majority and the Radicals refused to participate in the session without a Peronist majority to start the debate.

"Legislators get paid to provide quorum and not to play hide-and-seek," said an angry Menem.

Menem, who despite his comments considered that relations with the Radical Party "are good," made the statements during an hour-long talk with Government House correspondents—the first in recent months—where he voiced his opinion on a wide range of topics.

A local news agency reported that when asked if the government would be patient in waiting for congressional debate of its bills Menem replied: "I will always have patience," but later corrected himself: "until a decree," in what political analysts saw as a warning to legislators that the government could approve the bills via presidential decree if they are not passed in Congress.

The president stated that if legislators "do not agree (with certain laws) then they should not vote them, but they should turn up" at the Lower House sessions because "not to go to the debate is a fraud to the country and to who voted for them to be their representatives." Menem, who called for an end to secret political negotiations within the Lower House, added that "there are deputies who don't understand that democracy is work. We talk a lot about noqui employees [employees who get paid without working], but they (legislators) are not an example."

The debate of the YPF oil company triggered a crisis within the Justicialist Party bloc of legislators when Deputies Luis Saadi, who later denied his statements, and Claudio Mendoza were "separated" from party ranks this week for making allegations that legislators were being bribed to approve the bill without any evidence.

No tape recorders or TV cameras were used at the press meeting on Menem's request.

Minutes before joining the weekly cabinet meeting the president defended the percentage of the 1993 national budget destined for health care and ratified his support for City Mayor Carlos Grosso in the face of accusations of corruption made by councillors.

He also underlined that businessmen who took part in this week's IDEA [Institute for the Development of Executives in Argentina] summit in Pinamar had not criticized the government but rather requested more judicial security to carry out investments.

The president was also asked to comment on the recent suicides of old age pensioners who reportedly were unable to survive on their income. "I'm not a psychologist to give an opinion on this matter. All I can say is that the suicide rate is normal," Menem said.

After sharing a few jokes with reports, Menem, who is scheduled to visit Bahia Blanca and Posadas today, presided over the weekly cabinet meeting and asked his ministers not to "make improper or untimely press statements" which might affect relations within the government. He instructed them to "take care of their specific tasks."

Administration Seeks To Approach Clinton

PY1909000592 Buenos Aires CLARIN in Spanish 17 Sep 92 p 12

[Text] Despite the personal relations that exist between Carlos Menem and George Bush, and the alignment of the Foreign Ministry with Washington's current administration, the Argentine Government and the Justicialist Party are now trying to contact Bill Clinton, Bush's rival and the Democratic candidate for the upcoming presidential elections. Chamber of Deputies President Osvaldo Mercuri has already met Clinton.

They met last week at the capital in Arkansas. Clinton is currently on leave. He is the governor of this state where he has established his political operation and campaign headquarters.

Clinton made very discreet statements on international relations, and showed that he is "impressed" over the economic changes in Latin America, which, he said, follows "the elimination of old methodologies and the opening of the market, as in the case of President Carlos Menem's administration in Argentina."

He told Mercuri that the integration policy with some Latin American countries "is a significant objective of his government platform."

The meeting between Mercuri and Clinton was established through Arkansas Lieutenant Governor Jim Guy Tucker, the right hand of the Democratic candidate. Two months ago Tucker visited Buenos Aires Province where he began negotiations to draft an agreement on cultural and socio-economic exchange between Arkansas and Buenos Aires Province that will be signed by Clinton and [Buenos Aires Provincial Governor] Eduardo Duhalde as soon as it is finalized.

Based on this relation with Bush's rival, Foreign Minister Guido Di Tella told Mercuri, during [Argentine Ambassador to Chile] Antonio Cafiero's birthday party on 15 September: "You are the only one who can save us." Mercuri has stated that he has been invited by the Democratic Party to send election observers.

Mercuri has already prepared special reports on the developing relations for Menem and Duhalde.

Poll Finds Support Drops for Menem, Government

PY2109220792 Buenos Aires BUENOS AIRES HERALD in English 21 Sep 92 p 7

[From the "Argentina in Brief" column]

[Text] (DYN)—The public is becoming disenchanted with the administration of President Carlos Menem, at least according to an opinion poll by Mora y Araujo, Noguera & Asociados. In a survey of individuals over 18 years old conducted during the last month the firm found that only 41 percent gave the current government a favourable rating, compared with 57 percent in July, while the number viewing the president himself positively dropped to 42 percent from 44 percent over the same period.

Emilio Cardenas Appointed New Ambassador to UN

PY2009232892 Buenos Aires BUENOS AIRES HERALD in English 20 Sep 92 p 1

[Excerpt] (DYN-NA)—The head of the Argentine Bank Association (ABRA), Emilio Cardenas, accepted President Carlos Menem's offer to replace Jorge Vazquez as Argentine ambassador to the United Nations yesterday.

Cardenas confirmed he will take Vazquez's place during a midday meeting with Menem at the Olivos presidential residence.

Vazquez was dismissed by Menem last week for criticizing Economy Minister Domingo Cavallo in public.

The newly appointed ambassador is scheduled to leave for a private visit to the United States tomorrow and is expected to hold talks with Foreign Minister Guido di Tella, who will address the United Nations in New York that same day, to decide the date of Cardenas' swearing in.

Cardenas' appointment came as a surprise to most political analysts, who expected Vazquez, a militant Peronist, to be replaced by a career diplomat like himself. Unofficial government sources had insisted during the last few days that the ABRA chief had turned down the offer and that the job would go to Foreign Relations Undersecretary Rogelio Pfirter, a career diplomat who specializes in nuclear affairs.

Menem confirmed that Cardenas would be the new Argentine ambassador to the UN and said that "Argentina has very significant claims" in the UN "among them the sovereignty over the Malvinas Islands. That's why Doctor Cardenas will have to work very hard." [passage omitted]

Government Voices 'Concern' Over Japanese Ship

PY1809173892 Madrid EFE in Spanish 2108 GMT 17 Sep 92

[Text] Buenos Aires, 17 Sep (TELAM)—The Argentine Government today voiced its concern over the possible harm the Japanese ship Akatsuki Maru, loaded with plutonium, may cause to people and the environment in passing by the Argentine coast.

This was reported by the Foreign Ministry, which stated that the appropriate information is being requested from the Japanese, French, and U.S. Governments through the corresponding diplomatic channels in order to evaluate the events and determine the appropriate action to be taken.

According to an official communique, the United States was asked to provide information because "this country supplied the raw material."

The communique says that in light of similar concern expressed by the Brazilian and Chilean Governments, "contacts have been established with these countries" to coordinate actions intended to prevent any risk this ship may pose.

It states that the Argentine Government "will demand strict compliance with international laws."

Bolivia

Air Force Chief on Purchase of PRC Planes

PY1909204892 La Paz LA RAZON in Spanish 9 Sep 92 p B6

[Excerpt] Tarija, 8 Sep (LA RAZON)—Upon orders from the president of the Republic, Jaime Paz Zamora, General Dardo Gomez Garcia, the Bolivian Air Force (FAB) commander in chief, will on 17 September begin negotiating in the PRC the purchase of "fighter" planes, which make up the "weakest" point in the Air Force, as admitted by the Air Force commander in chief, who arrived in Tarija on one of his periodic visits.

Gen. Gomez added that after rejecting the F-86 airplanes following an airplane accident in Santa Cruz a few weeks ago, it is necessary to purchase flying material not based on donations, but based on soft loans which the country can repay "little by little."

Gen. Gomez said: "There is great concern over strengthening the fighter planes area." He added that he still cannot advance the amount of the loan that the PRC may grant, because this situation depends on the type of airplanes to be purchased, taking into account the type of airplanes appropriate for the infrastructure existing in our country, and especially "the cheapest ones."

Gen. Gomez also reported that the Air Force virtually has a $25 million credit which Congress initially approved for the purchase of two fighter planes, with a capability to carry small loads, for the 72d Air Force Group based in Trinidad, Beni Department. "This is almost a fact," he stressed.

Awaiting Disbursement

Moving on, Gen. Gomez reported that after the redirection of Bolivian-U.S. relations in the antinarcotics struggle issue, his institution is awaiting a $1 million disbursement to purchase radars that will be installed in Trinidad, Santa Cruz, and El Alto, where the central control will be established.

Upon saying that this disbursement will be made by the United States pursuant to Annex III [not further specified], Gen. Gomez noted that these funds will not be administered by the FAB, but by U.S. officials. The Air Force is more concerned about the installation of the aforementioned radars than about the fact that U.S. officials will be administering the funds.

Concerning his institution's budget, Gen. Gomez said it was never enough "because this is our country's real situation." This has prompted some adjustments in the FAB, which were already implemented early this year, he said.

Joint Ventures

Concerning the privatizations issue, and pointing out the distinction between TAM (Military Air Transport) and TAB [Bolivian Air Transport], Gen. Gomez indicated that the latter will be privatized following the joint ventures method, in which the FAB will neither lose its assets nor its property, but will allow the entry of private capital to strengthen a company which "is technically broke."

This situation depends on the studies that a consulting company, financed by the Planning Ministry, is carrying out to privatize TAB. Gen. Gomez explained: "TAM will not be privatized because it is an operating unit serving the FAB; the 71st Air Force Group handles TAM's operations, and the 5th Department handles TAM's administrative requirements." [passage omitted]

'Watchful Eye' Kept In Light of Guzman Arrest

PY1809144192 La Paz Television Nacional Network in Spanish 0030 GMT 18 Sep 92

[Excerpt] In light of the request by student leaders that Peru's number one terrorist, Abimael Guzman, be set free, Defense Minister Admiral Alberto Saenz Klinsky and other government officials expressed their views on the issue.

The defense minister said they are on full alert in case something happens.

[Begin recording] [Saenz Klinsky] A massive operation against terrorists is being conducted. Most of these terrorists are surrendering voluntarily and are being held in custody.

[Unidentified reporter] [words indistinct] stationed along the border trying to prevent terrorists from crossing into Bolivia?

[Saenz Klinsky] By no means. We are carrying out routine border controls. There is no special deployment as it was reported. We are not sending reinforcements to the border. Notwithstanding this, and on account of the Shining Path leader's arrest, we are alert to any possible attempt by Shining Path members to flee the country and come to our country. The police also are keeping a watchful eye. [end recording] [passage omitted]

Brazil

Marques Calls For Developed Countries' Support

PY2109130292 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Sep 92

[By Alessandra Anselmo]

[Text] Economy Minister Marcilio Marques Moreira has delivered a speech to the annual meeting of the IMF. He called for more support for the economic adjustments being implemented by developing countries.

In his speech to the IMF committee in Washington yesterday, Marques Moreira said that First World countries must create an international atmosphere of support for the economic adjustments being implemented by developing countries and allow them to pay their foreign debts.

The minister evaluated the changes implemented within the Brazilian economy during President Collor's administration and pointed out that his economic program is centered on long-term measures. Minister Marques Moreira cited trade rules deregulation, the elimination of price control, and the privatization of 14 companies as examples of the economic modernization program that has allowed the country to increase exports and obtain a trade surplus.

The minister also reported that Brazilian relations with the international financial community have become entirely normal. He said that the economy is doing well although the Brazilian political scenario is currently difficult. He added that this shows the maturity of the national democratic institutions and of the new market mechanisms.

Franco Promises No Economic 'Shock Treatments'

PY2109162792 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Sep 92 p 1

[Text] If Vice President Itamar Franco assumes the Presidency he will reduce the recessive portion of the economic policy. "It is not possible to return to growth rates of 6 to 7 percent or to permit levels of 16 percent unemployment in Sao Paulo industry," said Senator Fernando Henrique Cardoso (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo] who is one of the congressmen involved in the discussion of Franco's government program. A "top priority" would be to negotiate an emergency fiscal adjustment with Congress to recover the government's ability to invest. Franco also asked Senator Mansueto de Lavor (PMDB-PE) [Brazilian Democratic Movement Party-Pernanbuco] to study the 1993 budget law. If President Fernando Collor is replaced, the modernization projects submitted to Congress will be maintained and there will be no obstacles to the privatization program. Franco thinks, however, that the decision to sell state-owned companies should be transferred to congressmen. He promised never to resort to anti-inflationary shock treatments or to change the foreign debt agreement of $42 billion negotiated by Economy Minister Marcilio Marques Moreira.

Pedro Collor Obtains Preliminary Suspension

PY2109175392 Sao Paulo O ESTADO DE SAO PAULO in Portuguese Political Section 19 Sep 92 p 8

[Text] President Fernando Collor's youngest brother Pedro Collor de Mello yesterday obtained from the Regional Federal Court (TRF) a preliminary ruling to temporarily suspend the two processes (which are being handled as one) for slander, insult, and defamation in the First Federal Court of Sao Paulo. Judge Jorge Flaquer Scartezzini demanded, however, that Pedro Collor sign a commitment that he will appear before the court when he is called. The accusations are based on the Press Law and were made by President Collor and Paulo Cesar Farias as a result of the interview with VEJA in which Pedro Collor first reported the Farias scheme.

Having obtained the preliminary ruling, Pedro Collor said that he expects to be absolved. He said: "If I am sentenced, however, I will serve it with honor." He added: "My being sentenced in this case would be the best legacy to my children." He also indicated that his mother's illness is not helping to reconcile him to his family. He said: "My family relations are definitely broken."

His lawyer Paulo Jose da Costa Junior explained that the preliminary ruling was granted in an appeal against "excessive accusation." His lawyer added that the accusation made by the Justice Ministry was only for slander but that Pedro Collor was then also accused of defamation.

Rosane Collor's Secretary Testifies Before Police

PY2209014292 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 21 Sep 92

[Text] Maria Isabel Teixeira, Rosane Collor's secretary, has confirmed to Federal Police that she received money from ghost depositors for Rosane's and the Casa da Dinda's [the president's residence in Brasilia] expenses. Maria Isabel Teixeira arrived at the Federal Police escorted by her attorney. She has been charged with

receiving several checks from ghost current account holders. These checks total almost $1 million.

[Begin recording] [Correspondent Pedro Chagas Neto in Brasilia] Maria Isabel Teixeira's testimony lasted a little more than three hours. She admitted receiving ghost checks, but said she is unaware of the money's origin.

Maria Isabel Teixeira and her attorney confirmed that the money served to pay for Rosane Collor's personal expenses and the Casa da Dinda's expenses.

[Unidentified reporter] What was the money used for?

[Teixeira] To pay for expenses.

[Reporter] What expenses?

[Teixeira] I already have proven this. I already have reported this to the police.

[Reporter] Were these payments made for the first lady?

[Teixeira] Other payments.

[Attorney D'Alembert Jacoud] She actually makes it clear that none of these checks, not a single cent of these checks, was used for her own benefit. Part of that money was used to pay for the first lady's Casa da Dinda's expenses.

[Chagas Neto] Entrepreneur Luiz Estevao, who, according to presidential secretary Claudio Vieira, was one of the guarantors of the loan secured in Uruguay, will testify tomorrow. Another guarantor, Deputy Paulo Octavio, also will testify like Claudio Vieira himself did. [end recording]

Celso Lafer Addresses UN on Collor's Behalf

PY2209005192 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Sep 92

[Text] Speaking on behalf of President Fernando Collor, Foreign Minister Celso Lafer today opened the 47th UN General Assembly in New York.

Lafer began his 18-page speech by saying that current radical changes demand a new consensus in the international order. The minister added that this new consensus should be built upon freedom, democracy, respect for human rights, sustained development, justice, and peace.

In his speech, the minister referred to the Brazilian political situation. He said that full democracy prevails in Brazil, and that democracy has given stability and unity to the country. This democracy, he added, is teaching people to face the crisis and to accept dissent in a pluralistic society.

The minister said it is with that spirit of democratic civility that Brazil wants to join a new international order.

Lafer's lengthy speech also addressed matters like disarmament, peace, security, democracy, human rights, development, and environment.

The minister announced that Brazil is getting ready to host the International Center for Studies on Self-Sustained Development. The center will be an exchange and research center for implementation of the decisions adopted at the Rio-92 earth summit.

Lafer demanded UN compliance with the commitments assumed at the earth summit in June. Brazil, according to Lafer, expects developing countries to announce now in New York their initial plans for implementing the earth summit decisions.

Announcement Supporting Collor Prohibited

PY2109190992 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Sep 92 Political Section p 9

[Excerpt] An announcement by the Movement for National Reconstruction in support of President Fernando Collor, which was aired for the first time on 17 September, will have to be stopped. Yesterday afternoon Regional Electoral Board Judge Carlos Alberto Ortiz sent the television stations a fax communicating the decision. Ortiz' decision was based on the opinion of auxiliary Judge Sebastiao Feltrin. Feltrin said: "The announcement is outside the free propaganda time." The Regional Electoral Board believes that the announcement may help PRN [National Reconstruction Party] candidates during the municipal elections. [passage omitted]

Negotiators Sign 'Term-Sheet' in Washington

PY2109182992 Rio de Janeiro O GLOBO in Portuguese 21 Sep 92 p 47

[Article by special correspondent Silvia Faria from Washington; compound word "term-sheet" published in English throughout the item]

[Excerpt] During the early hours of 19 September, the Brazilian team of negotiators agreed upon a term-sheet with the Steering Committee of creditor banks in New York. This protocol agreement will be submitted to the Brazilian Senate. Meanwhile the creditor banks have 70 days to formally notify the Steering Committee on whether they will abide by the agreed terms. The signing of the term-sheet, which according to a high-ranking IMF official "was the best that could have happened" took place so quickly that it even took the bankers by surprise.

If 95 percent of the banks involved agree, Brazil will have to pay out the first of three installments of 50 percent of the interests on its debt accumulated since the beginning of negotiations (June 1992). [sentence as published] According to a member of the Brazilian delegation that is led by Economy Minister Marcilio Marques Moreira at the annual meeting of the IMF and the World

Bank, the key to the success of the negotiations was the support received from the IMF and the U.S. Government.

The Brazilian delegation is certain to obtain quick approval of the term-sheet in the Senate. Senator Jose Fogaca (PMDB-RS) [Brazilian Democratic Movement Party-Rio Grande do Sul State] who came to Washington at the invitation of Minister Marques Moreira, said that "the interests of Brazil are above the political crisis." The economy minister said that the market economy, although incipient in Brazil, and the way in which the institutions are operating clearly show that the country is on course. [passage omitted]

Distributed Funds Higher Than Current Budget

PY2109212492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Sep 92 Economy and Business Section p 1

[By Sueli Campo]

[Text] The Federal Savings Bank [CEF], which administers the Severance Pay Fund (FGTS), and the Social Action Ministry have given out money 10 times higher than the FGTS budget for this year. According to lawyer Douglas Braga, representative of the workers on the FGTS Oversight Board, the resources released by July this year were earmarked for basic health, infrastructure, and housing projects in 12 [number as published] states. Braga reached this conclusion after analyzing data provided by the CEF and the Social Action Ministry.

Braga, who is the Sole Workers Center (CUT) representative, has said: "The CEF is once again disrespecting the law." He recalls that the National Accounting Office (TCU) detected similar irregularities in 1990 and 1991. He said he intends to make new statements to the TCU. Braga now wants to identify the companies favored with the workers' money.

Most of the favored states are in the north or northeast, where the government seeks the support of local politicians to defeat the request for the impeachment of President Fernando Collor.

Additional resources were released for the following states: Mato Grosso, Goias, Maranhao, Rio Grande do Norte, Sergipe, Acre, Amazonas, Roraima, Rondonia, Amapa, and Tocantins. Moreover, Bahia, Pernambuco, Ceara, and Sao Paulo also received resources from the FGTS, although they did not exceed their share of the budget.

In Rondonia, for instance, by July the construction companies had received 28 billion cruzeiros, nine times more than that authorized by the FGTS Oversight Board, which is 3 billion cruzeiros. The money was released for infrastructure projects.

In Bahia, construction companies received 122 billion cruzeiros by July for health projects, when the annual budget was almost half that amount: 52 billion cruzeiros.

According to Braga, in June companies from Goias received 90 billion cruzeiros, that is, 32.5 percent of the resources disbursed for the entire country in the health field. Construction companies working in Sergipe and Maranhao received the highest benefits.

Nuclear Commission Offers Data to Universities

PY2209011392 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Sep 92

[Text] Public and private universities will have access to the data stored at the Scientific and Technological Center of the National Nuclear Energy Commission [CNEN].

In order to expedite this process, CNEN today sent the universities a letter informing them of its plans to provide, via on-line [preceding word in English], the CNEN data bank information on various areas and activities such as the environment and industry.

This information was released by CNEN Informatics Department director (Ricardo Jabasse), who said he believes the universities will answer in 15 days, and that at least 60 percent of them will have joined the data bank in 30 days.

(Jabasse) said the main objective of this decision is to improve CNEN's image in the eyes of society and the academic community.

[Begin (Jabasse) recording] We intend to promote the use of this type of resource so that we gradually can build a significant local information market, so that in the near future we may significantly increase the number of users of our information centers. [end recording]

The CNEN data bank's data will be supplied to the universities free. In order to have access to the data, it will be enough to have a microcomputer and a modem to use the [word indistinct] system.

Chile

First Cabinet Changes Planned 24 Sep

PY2209025492 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 22 Sep 92

[Text] The first cabinet change to be made by the president of the Republic, and, incidentally, the first change to be made by this government, will take place on 24 September.

The official announcement will be made after the cabinet meeting. This issue was discussed during Interior Minister Enrique Krauss' usual Monday meeting with the party leaders of the coalition alliance.

[Begin recording] [Unidentified reporter] When will the announcement on the cabinet change be specifically made?

[Green Humanist Party leader Jose Gabriel Feres] This is for the president to determine. It is difficult to foresee. It is believed it is very likely now that it will take place after Thursday's cabinet meeting.

[Party for Democracy President Sergio Bitar] Since this is the only cabinet change, it is only natural for the government to express the harmony of the forces supporting it at the various government levels. In this regard, we understand that it is a government decision to make the changes expressing this balance. [end recording]

Tomorrow will be a key day for the definitive composition of the new cabinet. Tomorrow afternoon, the president of the Republic will meet with the Socialist Party's [PSCh] executive board. This will be an important meeting because two PSCh vice chairmen are among the possible candidates being considered by the chief executive.

It has been rumored that [PSCh Vice Chairman] Jorge Arrate may replace Education Minister Ricardo Lagos, although he may become the mining minister because he was Codelco [Copper Corporation] vice president under President Salvador Allende's administration.

[PSCh Vice Chairman] Luis Maira may replace Transportation Minister German Correa.

Another possibility that President Aylwin is studying involves promoting under secretaries to the rank of ministers. [Economy Ministry Under Secretary] Jorge Marshall, from the Party for Democracy, would be a case in point.

Foxley Positively Assesses Economic Policy

PY2209013592 Santiago Radio Cooperativa Network in Spanish 2300 GMT 21 Sep 92

[Text] Chilean Finance Minister Alejandro Foxley has stated that developing countries should not expect a significant increase in international cooperation or public financing from industrialized nations because they will concentrate their efforts on reducing their expenses to overcome their fiscal deficits and thus realign their currencies.

He made this statement in Washington in his capacity as IMF Development Committee president in delivering an evaluation of his activities in the post he has held since September 1990.

Foxley said Chile is among the countries that is in a better situation to face the European financing crisis because of its orderly public financing and its lack of a fiscal deficit. In this regard, he said the average fiscal deficit in developed countries stands at 3 percent of the gross domestic product, and, consequently, a great effort will have to be made in the next few months to reorder the international monetary and financing system. Referring to the Chilean situation, he says that the 1993 budget will continue to be within the framework of a central definition of the Chilean economic policy, that is, the main current comparative advantage is based on the need to maintain reorganized public financing and a fiscal surplus.

He said that Chile will not modify this policy under any circumstances, a position endorsed by President Aylwin, and I am sure he will continue to do so.

Assessing his activity on the Development Committee that ends today, Foxley said the matter of the most free commerce in the world has been reinforced, noting the Latin American integration process. He noted the strong support for multilateral credit organizations to increase their resources intended for the poorest countries. He also stated that the development of human capital has been strengthened.

Military Honors Pinochet, Praises Army Unity

PY2109150492 Santiago Radio Nacional de Chile Network in Spanish 0000 GMT 20 Sep 92

[Text] Major General Rodrigo Sanchez Casilla, chief of the Army general staff, during a speech delivered at the military school, said today that the Army is a live and indivisible organization which reacts as a whole when one of its members is attacked.

Army Commander General Augusto Pinochet received many congratulations today during the celebration of Army Glories day. Pinochet also received greetings from the chiefs of the other branches of the Armed Forces and Carabineros. In a ceremony at the military school, the corps of Army generals decorated him with the Grand Star of Honor: Glories of the Chilean Army. Pinochet then warmly embraced Army Deputy Chief General Jorge Lucar.

The reason for granting the award was explained by Major General Rodrigo Sanchez Casilla, chief of the Army general staff. He emphasized Pinochet's qualities as a statesman and soldier. He also compared national independence day, which was celebrated yesterday, with the action carried out on 11 September 1973 [date of military coup that brought Pinochet to power].

[Begin Sanchez recording] Many years will pass before generations who were not affected by the recent experience or agitated by personal involvement will be able to judge this action of liberation with the perspective that comes with time.

The Army is divided into units but it is indivisible and indestructible in its unity around its commander, wherever the military units are located. We are a united organization and when one of its members is attacked the organization reacts as a whole. This is how we were trained and this is how we have always won. [end recording]

Jarpa Rejects Possibility of Pinochet Candidacy

PY2209025692 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 22 Sep 92

[Text] National Renewal Senator Sergio Onofre Jarpa has rejected the possibility that General Augusto Pinochet wants to run for president of the Republic.

The National Renewal senator was asked about this issue after some remarks by Senator Julio Lagos that Gen. Pinochet is the person with the greatest consensus to become a presidential nominee.

[Begin Jarpa recording] Gen. Pinochet should be asked if he lends himself to that. I do not know what this is about, and I do not know if Lagos has talked to Gen. Pinochet. I believe he has not. [end recording]

Colombia

New Decrees Introduced To Benefit Guerrillas

PA2209045592 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 21 Sep 92

[Text] The Colombian Government has announced five decrees for the benefit of guerrillas or former guerrillas who wish to abandon violence. One decree in particular favors Marcos Chalita because it will make it easier for him to be released from prison by extending the terms for pardon.

The government will introduce five new decrees this week. One includes a new pardon law and makes it easier for reincorporated groups to obtain lands. The national government, represented by the ministers for government, justice, and defense, as well as the advisers for peace and social policy, all of whom met with the AD/M-19 [19 April Movement Democratic Alliance] on 21 September, thinks it is necessary to make changes in the reincorporation policy.

Five decrees will be issued. The first extends the term for pardon five months from May to November. This measure favors Chalita, who is serving time. The second decree reduces the number and type of requirements so a reincorporated person can hold public positions. The third decree makes it easier for reincorporated groups to obtain and exploit lands. The fourth decree establishes new instruments for the reincorporation process. The fifth decree, which the government regards as the most important, includes the Congress and economic groups such as cattlemen and banana growers in the reincorporation process.

[Begin recording] [Government Minister Humberto de la Calle Lombana] The important thing for the country is not to lose what has already been won. I am happy with today's meeting because it reaffirms the values of peace that are already being achieved.

[Vera Grave of the AD/M-19] Peace is a national commitment and everyone's responsibility, the government's first of all. We are sure it will rise to this challenge. [end recording]

Despite these five decrees, there are no radical changes in the policy of peace because nothing has yet been achieved regarding talks with the Revolutionary Armed Forces of Colombia and the National Liberation Army.

Charges Against FARC Leaders Disclosed

PA2009003092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1700 GMT 19 Sep 92

[Text] For the first time in Colombia, a document containing information on the debt the FARC's [Revolutionary Armed Forces of Colombia] top leaders owe society has been disclosed.

Name: Pedro Antonio Marin Marin, alias, Manuel Marulanda Velez Tijo Fijo; born on 13 May 1930 in Genova, Quindio; profession: farmer; civil status: married; current occupation: top FARC commander. This is the FARC top commander's curriculum vitae that appears on file at the Attorney General's Office and at the intelligence services. Since 1963, 33 charges have been filed against him for murder, kidnapping, terrorism, massacre, and theft. These actions have been carried out in the Caqueta, Huila, and Meta Departments. An arrest warrant has been issued against him only; there are no arrest warrants against any other top-ranking FARC member. There are nine charges against Raul Reyes, whose real name is Luis Edgar de [name indistinct], for murder, terrorism, and kidnapping. Meanwhile, Luciano Marin Arango, alias Ivan Marquez, former philosophy professor and current commander of the FARC's 14th Front, is accused of rebellion and illegal possession of weapons. The document points at Timoleon Jimenez, alias, Timochenco, as the principle FARC trainer, currently under investigation for terrorism and massacre. Alvaro Sainz Vargas, alias Alfonso Cano, is mediator in the Tlaxcala, Mexico talks and current FARC ideologist. There are nine cases being processed against him for murder, theft, kidnapping, and terrorism. Although there is an extensive file on the FARC's top brass, an arrest warrant dated 5 February 1991 has only been issued against Manuel Marulanda Velez, accused of terrorism.

This document obtained by "NTC News" discloses that the rumours that were spread on 17 July on an arrest warrant against Alfonso Cano, precisely as he was traveling from Tlaxcala to Colombia, are false. The intention of the public order judges who signed the arrest warrant has yet to be cleared up.

* CNG Discussions Reportedly Reveal Fissures

* Disagreement on Peace Talks

92SM0613A Santa Fe de Bogota EL TIEMPO in Spanish 29 Aug 92 p 7A

[Text] The process of making peace with the national government has the commanders of the National Guerrilla Coordinating Committee (CNG) glued to their mobile telephones, discussing the approach they should take to the talks.

Although it is not yet possible to talk of a schism, at least fissures are appearing with regard to the issues to be discussed with the central government.

The commanders of the Revolutionary Armed Forces of Colombia (FARC) speak of a dialogue with the government and of becoming a political party; those of the Army of National Liberation (ELN) say that the CNG's position should be firmer; and the dissidents of the Popular Liberation Army (EPL) merely reject all proposals.

This was revealed in a recent conversation involving Alfonso Cano, political spokesman of the FARC, the leaders of the ELN, and the dissident faction of the EPL. No agreement has been reached on a unified position to bring to the round of talks that is reportedly imminent.

But whereas the leaders are clashing on the terms of the talks and political issues, it is another story on the battle front.

The guerrilla rank and file, though participating in the debates through mobile telephones, have received orders from their commanders to step up the pressure for holding regional talks, and they do appear to be united.

In regions such as Uraba, Santander, Huila, Tolima, Cesar, Bolivar, Cordoba, and Casanare, the subversive fronts are acting in concert and in the name of the Guerrilla Coordinating Committee.

Although some actions clearly differentiate them, such as the attacks on the oil infrastructure by the ELN, the assaults on the Army and police that bear the marks of the FARC, and the political kidnappings in Northern Santander carried out by the EPL dissidents, there are regions where they even share camps.

Moreover, when they send letters or messages to governors or mayors to issue invitations or demands for regional dialogues, they do so in the name of the CNG.

But at the command level, and when it comes to discussing specific issues, everything changes. The FARC, according to their latest document, has announced that it may become a political party as a result of a peace process.

The group also proposes that priority be given to economic liberalization and agrarian reform in the dialogues.

The ELN has never considered the possibility of being a political movement. It wants the number one issue in the peace talks to be oil policy.

The EPL dissidents have limited themselves to rejecting all proposals.

* Rejection of Cano Proposal

92SM0613B Santa Fe de Bogota EL TIEMPO in Spanish 28 Aug 92 p 6A

[Report by Miller Rubio and Maria del Rosario Arrazola]

[Text] The commanders of the Revolutionary Armed Forces of Colombia (FARC) have devised a strategy for putting together a new phase of talks with the government and becoming a political organization, turning their backs on the Army of National Liberation (ELN) and the dissidents of the Popular Liberation Army (EPL).

EL TIEMPO has gained access to an internal document that was drafted by the secretariat of the organization and sent early this week to all the front commanders of the FARC for their approval.

In the document, the guerrilla leaders tell their front commanders that, with a view to the new talks, the group is seeking to create "a very broad political movement with a profound Bolivarian spirit."

These words coincide precisely with a statement written in Alfonso Cano's handwriting that was sent to the Forum for Peace in Ibague last Tuesday. "Let there be no doubt in anyone's mind about our decision," Cano stated, "to create a very broad political movement with a profound Bolivarian spirit and roots. Only an intensive development of the process will inevitably generate the conditions that will make this initiative a reality."

The commanders stated that this idea is the product of "the absence of strong opposition that can plausibly and legally challenge the government's policy." The report indicates that the point of departure of an imminent round of talks should involve the Church, the economic associations, the political parties and movements, and the three branches of government.

The document, rejected by Manuel Perez and Francisco Caraballo, commanders of the ELN and the EPL, respectively, was written by Cano at an expanded commanders' summit conference that took place two weeks ago at Meta.

In five pages, the secretariat asserted that to make the initiative possible, the government must approach the reintegration program in a different way than before.

"We are willing," the document stated, "to fulfill our commitment to resume the dialogue, without conditions, of course, as we have always done."

The FARC considers the strategy adopted by the central government at Caracas and Tlaxcala to be an erroneous

one, because while the talks were going on, it was putting on the pressure with military operations.

The FARC has put 12 proposals on the table, however, to lay down guidelines for the new talks, according to the document. The group has reiterated its position that the centerpiece of the dialogues must be economic policy.

The other proposals are aimed at "a far-reaching agrarian reform, the exercise of popular sovereignty, and respect for human rights," according to the document.

Although the proposal to hold regional talks is not new, sources close to the FARC told this newspaper, the idea is that any agreements arising out of such talks will be binding on all parties involved.

"The regional encounters for peace," Cano stated in the document sent to Ibague, "with the presence of all social actors in every place, are extremely important because they in fact commit all participants to carrying out the peacemaking tasks that emerge as conclusions from each event."

EL TIEMPO has learned that the document was rejected in principle by the ELN commanders and the EPL dissidents because they feel the initiative "is very political."

Perez, in a conversation with Alfonso Cano, said that the Coordinating Committee should go back to the bargaining table with a "firm" attitude, and he called for more belligerence in a new round of talks.

Caraballo, on the other hand, said that the document represented a unilateral position that his group did not share. In another paragraph of the document sent to Ibague, the FARC confirmed its decision to seek a political solution to the crisis.

Although the symptoms of a rupture in the CNG are not clear-cut, at least the proposals for the peace process are different.

The FARC does not exclude the government from the talks; the ELN would remove it from the conversations, according to the conclusions reached at its latest summit two weeks ago.

Construction of Maximum Security Jails Noted

PA2009004692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1700 GMT 19 Sep 92

[Text] The maximum security equipment that was not installed at La Catedral jail will be installed in Acacias and in the La Picota jail in Santa Fe de Bogota. Justice Minister Andres Gonzalez Diaz announced the construction of a maximum security penitentiary complex in Acacias, Meta and a maximum security annex at La Picota jail in Santa Fe de Bogota. The minister's intention is to implement a rehabilitation plan and social reincorporation program for extremely dangerous criminals. Here is what the justice minister said:

[Begin Gonzalez Diaz recording] There are security sections inside jails and there are also independent high-security jails—this would be the project for Santa Fe de Bogota. [end recording]

For the installation of the maximum security annex in La Picota, the security equipment currently installed at La Catedral jail in Envigado—electronic equipment, grating, wire fencing, concertina wiring, and computers—will be moved as soon as possible to the new maximum security jail.

Communist Declaration Supports Religious Freedom

PA2109013992 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 16 Sep 92 p 9a

[Text] A recent declaration issued by the Communist Party of Colombia [PCC] states: "Our demand includes freedom of worship as well as religious freedom with the same opportunities for all religions."

The document is signed by the Central Executive Committee and alludes to the calls made by the bishops, as well as the popular marches that took place on 15 September, whereby the Catholic Church urged the government not to remove the teaching of Christian doctrines from school and college academic programs.

In its declaration, the PCC invites all religions to "become aware of the real problems of the people, such as constant human rights violations, the need to restart the dialogue as a mechanism to find political solutions to the armed conflict, the urgent need to end the poverty millions of Colombians are experiencing, and the socioeconomic situation with the objective of undertaking joint actions in defense of citizens' freedom.

"There are reasons why all Colombians must search for unity and all popular sectors, despite their affiliation or religious belief, must contribute to this search."

Regarding the Central Executive Committee's declaration, the PCC's deputy secretary general points out that "the idea of safeguarding the teaching of Catholic religion at any cost is contrary to the freedom of religion which is a right recognized in the Political Charter."

The parishioners of 74 ecclesiastical districts, with the exception of Barranquilla, marched through their respective streets on 15 September in support of religious education.

The Barranquilla dioceses decided to postpone the march organized by numerous parishes and coadjutors until 24 September.

The biggest marches took place in Medellin, Bucaramanga, Manizales, Pereira, Pasto, Tunja, Duitama, and Sogamoso.

Ecuador

Duran-Ballen Talks About Economy, Problems

PA1809183892 Quito Radio and Television Networks in Spanish 0000 GMT 18 Sep 92

[News conference by President Sixto Duran-Ballen with local and foreign reporters and unidentified moderator at the Presidency in Quito—live]

[Excerpts] [Duran-Ballen] Friends of the press: I have been in office for less than 40 days; 38 days, to be exact. In my 10 August message, I promised the Ecuadoran people I would speak to the country periodically through you, representatives of the media.

This is something I plan to do as often as possible. Let us hope we can meet every month and, aside from a brief message such as the one I will give you today, I hope to answer your questions as they reflect the impressions of the Ecuadoran people.

My attitude will always be the one with which you are familiar. It is the same attitude I exhibited when I held other public posts; that is, to speak honestly and frankly and to say what I feel, even if many times it is not politically advisable.

As the saying goes, you cannot teach an old dog new tricks. That saying applies to me. In general terms, I want to tell you that I will try to echo the people's concerns.

To that effect, I would like to note that regarding the measures we had to take, it is over and done with and I will not refer to the past. I said I would not talk about it unless you wanted to make a comparison. The truth is that we received the country in a situation that forced the people to take actions. I mention the word people because the government is the people's representative, and things could not continue as they were.

I must thank Ecuadoreans for their attitude, in many cases for the silent attitude of the people who, aware that things had to change, accepted the measures we were compelled to take. They accepted those measures with a sense of participation and sacrifice.

Recently there have been some demonstrations. I am certain that you, members of the media who covered those events, regret them. The right all Ecuadoreans have to defend our interests, to want to survive, and to have better living conditions is legitimate. But to take forceful measures like those of 16 September and on previous days in other parts of the country is not legitimate, nor does it solve the problems.

I think I have proven throughout my life that I am not an arrogant man. I have proven that I am human enough to admit I have made a mistake when I have. One time a decree was issued to solve a problem, but it was not the best solution; on the contrary, it did more harm than good. However, I had no problem admitting that I had made a mistake and the decree was abolished. [Words indistinct] a solution was found to the problem of the Social Security Institute. That solution was acceptable and allowed that institution to continue operating.

The people who lend themselves to actions such as the ones we saw on 16 September—violence and destruction of private property—will not further their objectives and will, in many cases, harm innocent people who have nothing to do with the measures. Such is the case of the owners of many vehicles that were damaged on 16 September. In that respect, through you, the media representatives, I would like to keep the citizens from being deceived by false defenders of the country's rights who perhaps could have acted in the past and did not.

I particularly want to address the country's workers on the 16 September march and the announcement of future similar demonstrations. I want workers to know that the main obligation of this government and of any legitimate government that aims to defend the people's interest is to contain inflation and regulate the operation of [words indistinct] again. Those actions will allow the country to begin developing after a short period of sacrifices. The compensation measures have not been of the magnitude we expected. It should also be taken into account that if we had increased the compensation measures more than what they currently are, the overall effect would have been [word indistinct]

On the other hand, it is hard to believe that a significant portion of the 17 September protests were staged by public employees; public employees who work for the very institutions that are not doing an adequate and efficient job. Despite what they would like us to believe, they are not staging protests to protect the interests of the Ecuadoran people. They are more interested in protecting the privileges to which they feel they are entitled. Privileges of the few to which most Ecuadoran people have no access. Privileges that even you media representatives tend to sometimes demand from the Ecuadoran people and from the government.

It could be said that this government has not done anything over the past 37 days except enact and implement new measures. That is not the case. We have been working for 37 days now, and positive steps have been taken to correct some of the country's problems. [passage omitted]

[Reporter] One of the issues mentioned most often by your critics, even more than the economic measures, refers to insufficient coordination among government institutions that tends to cause confusion among the citizens. I will mention a specific example: The industry minister recently said that medicine prices would be lowered. The health minister said that so long as he is minister he would not allow that to happen. Even legislators who support the government say they are not aware of any projects the executive branch is about to send to the National Assembly. The press has already announced these projects. The legislators have expressed their concern about the issue. They also wonder how

they are going to help the executive branch if, unfortunately, there is not adequate communication between it and the legislators who support the government.

[Duran-Ballen] You have really asked two questions. As for the first part, I believe that as Ecuadoreans we should not examine the content of a question or an answer from one minister or another or the apparent contradictions in their positions. We should examine the spirit that motivated either one to say what he said. One has the obligation to defend the people's health; to ensure that as much medicine as possible is accessible to the people at the lowest price. The other has the obligation to encourage industry to its maximum potential to ensure that the other can carry out what he intends to do. The spirit of [words indistinct] is the same for both of them. Maybe one is referring to what the law says, while the other is referring to the laws of supply and demand. What we must all look for, you as Ecuadoreans and I as president, is for some sort of balance between the opinions of both officials in order to accomplish what we would all like to see, which is medicine accessible to the people. A minister's interest in ensuring that as much medicine as possible is available is quite logical. The other minister's obligation to provide the judicial framework for that to happen is also logical. Otherwise everything will come to nothing. They both want the same thing. Let us examine the spirit of what they both are saying and not just say that the news shows apparent contradictions between the two. Both ministers are motivated by the same spirit as the president of the Republic, which is that the respective judicial mechanism may encourage companies that manufacture pharmaceuticals to supply as many generic medications as possible at the lowest cost for the benefit of the Ecuadoran people.

Regarding the second part of your question, I believe that you, my great friend, as an Ecuadoran citizen, should feel great satisfaction at the fact that I as president do not think I own consciences and instead allow legislators to use their own judgment and freedom of choice and have asked them to agree only with those things in which they believe I am right and reject the others. I do not think consciences can be bought any longer, and the time when congressmen blindly obeyed what the president said has come to an end with my administration. I am not going to influence or buy consciences. The legislators who were elected with my party and those legislators who are in opposition have an obligation to their consciences on how they will vote. I cannot be held responsible for their behavior, but I believe as Ecuadoreans we should be pleased that this government will not try to influence the Congress. I will not influence Congress; I will not buy consciences; I will not pay off with sinecures; I will not pay with appointments; I will not use the cantons and provinces to manipulate legislators. Each legislator will act according to his own conscience, supporting the president when he believes the president is correct and denying him support when he believes the president is wrong.

[Moderator] [Words indistinct]

[Reporter] [Words indistinct] reactions caused by the package of economic measures that were proposed on 3 September. My question is one that the people ask: Is there a possibility that the measure increasing the price of domestic cooking gas may be repealed?

[Duran-Ballen] I said a few minutes ago that I am not arrogant, and as was the case with Social Security, I admit that this was a mistake. If the study we are conducting shows that this or any other price can be reduced, we will do so. What I do want is for you and everyone else present to realize that each of these items were carefully studied. None of the measures can please everyone. None of the measures can benefit the state and at the same time please the people. What we tried to do, and the results are here for all to see, is to adopt measures that would have an overall beneficial effect on the country. We tried to have a minimal effect on people with small incomes and instead affect mostly people with higher incomes. That is what has been done, for example, with the ever-increasing electric power rates by affecting the low income people the least by applying a minimal increase to mid-level power consumers and applying the greatest increase to high consumption users. This holds true for the other increases. In the next few days we will learn from the reports whether any of the resolutions need to be modified.

[Moderator] Mr. (Ivan Molina) of EL COMERCIO while Mr. Jose Rodriguez of Radio Exito prepares his question.

[Molina] Mr. President, one of the arguments Congress has used in reviewing the draft bill you sent for urgent approval is that attempts have been made to share responsibilities that are exclusive to the executive branch. What are your options to try and reduce the amount of government workers?

[Duran-Ballen] It is not a question of sharing or shedding responsibilities; on the contrary, some of the dispositions we had requested be interpreted are exclusively the responsibility of Congress. It is up to Congress, not the executive branch, to interpret the Constitution. Congress is the body that can amend laws, not the executive branch. The decree that I partially repealed mistakenly included some of the work that should have been left to Congress. That was my mistake, and I again recognize and correct it. What we sent Congress concerned strictly the legislative branch, not the executive branch.

Here is an example: Article 525 which states that government employees who are exempt [as heard] from the possibility of joining labor unions, including employees who were freely appointed [libre nombramiento]—departmental chiefs, secretaries, and what have you—has one phrase that contains the word similars [similares]. Neither you nor I nor any of the individuals present know what the word similars means, and your interpretation or mine or that of any individual present is equally valid. None of us, neither I nor any of the individuals present, can interpret the Constitution. Only

the Congress of the Republic can and should—by mandate of the Constitution itself—interpret the Constitution. I made a request of Congress: I suggested that it tell us what similars means.

The strangest thing is that all of you, almost all of you—please, let us not act as if we are all innocent—have often spoken about the widespread abuses seen in bureaucracies and about the privileges that many state institutions have. Why? Because their activities are sheltered. It is curious. When they want the benefits that sheltered workers have, who are union members, being a similar does not matter. When they do not want the responsibilities of the similars, then they have nothing to do with the similars.

Therefore, I asked the legislature for an interpretation and I suggested that supervisors with a certain number of subordinates should be similars. For example, a chief messenger with three or four subordinates is, in reality, a junior executive for certain purposes; for others he is a union member. I asked the legislature to explain this, but it refused. Ecuador is then left with the question and the interpretation that each individual at each institution wishes to give.

The legislature has duties that I respect. I have not asked them to share their duties but to fulfill them. They have refused to do so, but that is another matter [words indistinct]. [passage omitted]

[Jose Rodriguez of Radio Exito] Please answer my question. You want things to be done in a (?particular) way. Will you or will you not hold to a popular consultation to accomplish certain government goals? Nothing more.

[Duran-Ballen] I have no intention for the time being, Mr. Rodriguez, of holding a consultation. The law gives me that power, but I do not need to hold a consultation. I would like to stress with regard to your question that I believe I have proven to the country that I do not stop at intentions. One thing can be said about me, and it is that I am stubborn; stubborn—forgive me if I seem proud—in the good sense, and I will continue insisting on those things that I believe will benefit Quito. I have proven this with a few things [words indistinct] and many others that I could point out which have already been done in 37 days. Do not ask me for miracles in 37 days. I believe that eventually the legislature itself will have to see—we must talk—that if not all, many of the suggestions I have made are necessary for the country. At this point I will say the words (?I said in July) to the effect that it is necessary for us to share responsibilities, not because I want the legislature to share its duties, but because I want it to fulfill its state management duties. You also have your duties.

You are among the forces in the country that can do the most to help us progress because the social communicator's obligation is to provide guidance. It is you who through this guidance may or may not be able to convince the legislature—not I but you with your attitudes, your reactions, and your representation of public opinion— whether or not the work of a legislature is to merely oppose the executive's initiatives or the solutions that I have sent to Congress for the good of the Ecuadoran people, whom all of us have promised to serve. In this regard your work is an intrinsic, essential, definitive part of the country's developmental process.

[Moderator] [Words indistinct] Sanchez [words indistinct]

[Reporter] Mr. President, following the capture of the Shining Path leader, a number of documents have been discovered that deal with items on the border conflict between Ecuador and Peru. Will your government adopt any precautions or measures pertaining to national security and the Ecuadoran-Peruvian border?

[Duran-Ballen] We have already adopted measures, and we are alert to certain issues that I obviously cannot divulge to the nation. However, we have established contacts regarding certain situations that have emerged and that I do not believe it is necessary to reveal.

[Moderator] The following question is by Mr. Francisco Sanchez of HCJV and the following will be Edgar Vazquez of Teleamazonas.

[Sanchez] Mr. President, we would like to know about the government's oil policy. The international press agencies have just informed us that Ecuador is threatening to withdraw from OPEC. What does withdrawing from OPEC mean? What course will our oil policy take? Do we expect to produce more, or are we prepared to produce more?

We have examined the advisability of our remaining in OPEC. We have studied this issue with the corresponding minister and officials—and except for the initial benefits —we have concluded our membership yields no major benefits to our country. I ordered—and assume responsibility for this—the sending of a message, which the minister will deliver, to the top OPEC executive conveying our decision to withdraw from this organization and remain only as associates.

Our membership in OPEC has meant annual payments to the OPEC fund, and the country has not benefited too much from them. The quotas due from the past few months of the previous Ecuadoran administration have not been paid, and our debt with that organization is now considerable. I do not know if the person who asked this question believes that it is advisable for us to remain in OPEC, but I want to note that countries such as Norway, England, and Mexico that sell significant amounts of oil are not OPEC members, and it is not hurting them.

[Reporter] When will [words indistinct] the withdrawal?

[Duran-Ballen] As soon as the contracts allow it.

[Moderator] [Name indistinct] from the daily LA HORA.

[Reporter] Why did you send the Congress president a message announcing that you were withdrawing the economic reorientation bill? At this moment there is no quorum in Congress and therefore that bill [words indistinct].

[Duran-Ballen] I was aware that this could happen. I do not want to use that approach. I know it has been used by previous governments. Collective dialogue should produce agreements, not dictates.

In addition, because certain doubts have been expressed and certain suggestions have been made, I have decided to recall and study it, perhaps even with the participation of legislator delegates. That way we will make certain that this measure, which is necessary for the country's organization, can be effectively applied, not through executive maneuvering but by a legislative act.

[Moderator] Jazmin Rosales of (?LA NACION).

[Rosales] When will you make a final decision on your trip to the United Nations? It has been said that the trip will depend on your meeting tomorrow with the United Workers Front [FUT]. In addition, the country's productive sector demands preferential interest rates.

[Duran-Ballen] The trip to the United Nations is surely a matter of great importance for the country, not for President Duran-Ballen. The United Nations is currently made up of more than 60 member countries, 12 of which are Security Council members for one year. Ecuador is a Security Council member this year. That means we will not be members of the Council again for another 14, 15, or 16 years, depending on the number of countries represented in this world organization. So it is important for our country to be a Security Council member. It is also important for the country to preside over the Council, and Ecuador presides over it this month in the person of our ambassador, Jose Ayala. The position could also be held by our foreign ambassador as some countries have done, should the government so desire, or temporarily by the president of the Republic.

More than presiding over the Council, however, the country is most interested in participating and making itself heard on many international issues, particularly on Ecuador's present viewpoint regarding the border dispute with a neighboring country. I should have decided whether or not to make the trip by 25 September, depending on the country's situation, but I will have to make a further decision about this. I will not abandon the ship. If the situation continues like this, it is my duty to stay here. On 18 September I will meet with leaders of all of the country's labor unions. Some sources—and this was only one voice—have said that yesterday's march was caused, among other things, by my refusal to make an appointment to receive them. I must say that originally it had been agreed that we should meet today. They agreed to postpone the meeting until 18 September. Consequently, when they marched on 16 September, an agreement to meet had been standing for several days. Therefore, yesterday's march was unnecessary as it relates to a dialogue with the president that had already been agreed upon. Therefore, my trip next week will depend on the internal situation.

[Moderator] Patricio Ortiz [words indistinct].

[Ortiz] According to the deputies, the economic measures taken on 3 September are positive. According to several economic analysts, however, the adjustments are excessive and the social compensation measures are insufficient. How can the country bear up against the economic measures without reassessing the social compensation measures?

[Duran-Ballen] The circumstances already show positive results. For instance, the monetary reserve had increased by 80 million sucres as of close of business on 14 September. The interbank interest rate dropped from 200 percent to 20 percent. Therefore, the liquidity of the banks increased and they have begun to operate again. The U.S. dollar exchange rate has stabilized at approximately 1800 sucres. These are positive aspects. I would like to note that the price increase for many manufactured and food products occurred prior to the measures. The prices of some products in the markets are even lower than they were a few days ago. The increase in some of the values occurred primarily due to speculation by bad Ecuadoreans. Unfortunately, it is the same the world over. Those Ecuadoreans tried to take advantage of the situation to make a good profit. [passage omitted]

[Moderator] Here is a question by Patricio Ortiz of EL UNIVERSO, and Jose Magno of Radio Catolica is next.

[Ortiz] Mr. President, these past few days we have seen protests, in addition to the destruction of property and protests in Guayaquil. This happened a few days after the package of economic measures went into effect. To what do you attribute the violence the country is experiencing?

[Duran-Ballen] I understand this is, in part, a very logical reaction. Nobody likes an overnight increase in one's daily expenses. Perhaps in many cases it causes a great deal of anxiety. What you and I cannot justify, however, is harming third parties in the course of protesting. I do not think that you or any one of us agrees with that. Through you I am again asking for understanding because those measures were necessary. Otherwise in one year's time this country would have been paralyzed and the inflation rate would have been much higher.

The questions each of you have posed so far reflect doubts about what we have done, and the same applies to the reactions in the various newspaper articles I have read. Neither your questions nor those articles nor the commentaries include positive suggestions. Nobody has said: Instead of doing this thing, perhaps we could do this other thing. It is very easy—maybe I have done it in the past—to reject something that was done in an effort to find a solution. So far nobody has come up with a magic formula for my government—or any other government—to adopt to counter an inflation rate that has been impossible to curb for many years. That is what we

are seeking. It is like giving somebody a laxative. It causes temporary discomfort but it cures him. I grant you, the comparison may be a little crude, but we are trying to administer a temporary medicine that will improve the patient's health. We are doing something that has been tried in other countries with positive results. I think it meant that my government had to make a decision; it had to have the courage to take measures without thinking of the political cost, and I admit they have entailed political costs. If I agreed to run for office in the first place, and if I was elected in the end, I did not do it simply to pride myself on having been elected president. I did it out of a sincere desire to serve the people of Ecuador as I have served them before. Going back to the question by my good friend Rodriguez, who predicted both my victories and failures when they happened, I told him...

[Unidentified speaker, interrupting] [Words indistinct]

[Duran-Ballen] True, because a survey did not put me ahead. He was right. The surveys he took in 1979 or 1988 did not put me in the lead, and he was right. This time, as it happened with the surveys when I ran for mayor or deputy, his survey was very revealing and positive. It proved accurate in that sense. I was saying that if the Ecuadoran people supported me this time, that led me to believe their approval was an indication that I was acting with sincerity and honesty, at the very least. I am asking them to continue believing that I am still the same person and will do my best to resolve the country's situation.

[Moderator] Here is Mr. Edmundo Carrera of the Manavi daily. Due to time limitations, we will only allow two more questions. The news conference was scheduled for 30 minutes so we will have to conclude.

[Carrera] Some colleagues have already mentioned the topic. However, the problems of insecurity and social violence have afflicted the country for over a decade. Every day we hear of holdups. Unionized workers are demanding increases.

[Duran-Ballen] I do not think you are standing in front of the microphone, I cannot hear you well.

[Carrera] I was talking about the problems of insecurity in the country, and that holdups are reported every day. Unionized workers are demanding more every day. A recent report from the Bolivar Port workers indicated that they want higher pay or else they will strike. The situation is becoming widespread. This democratic country is feeling the impact of workers demonstrations. You will meet tomorrow with the workers who are threatening to strike. What will happen in the future because of this situation?

[Duran-Ballen] I think the problem of that institution and many government institutions is that they have been operating under the notion that their sole objective is to care for the welfare of their employees, not to provide the service they must render. The institution you mentioned went on strike a few days ago. Right now the Presidential Palace is processing the proposal for the collective bargaining agreement, which the previous authorities reportedly signed. Among other things, the agreement allows four salary bonuses—in addition to the salary bonuses to which Ecuadoran workers are entitled—to be granted on certain dates of this or that holiday. It also grants two salary bonuses during Christmas, which would be the equivalent of the basic wages, and another on the institution's anniversary. In all, we are talking about seven salary bonuses in addition to the worker's legitimate rights. [passage omitted] This is the case in many institutions. There are privileges in collective bargaining agreements, chiefly in the agreements with public workers unions. Because of that, institutions lack the funds to fulfill the objectives for which they were created. You and I cannot tolerate this. It is one of the things my government must correct. [passage omitted]

[Reporter] Mr. President, regarding integration, what is the government's position on Peru's decision to suspend its participation in the Andean Group? Is the Andean Group finished? Will bilateral steps be adopted during President Fujimori's visit to the Bay of Caraquez next month?

[Duran] It is regrettable that the Andean Pact has made no progress. I said during my campaign and I will repeat it now that we must function as soon as possible not only in the framework of the Andean Pact, but also in the framework of the regional market, and—why not—in the framework of the world market.

We hope to be able to reach a short-term bilateral arrangement with Peru like the one we are securing with Colombia as a result of the dialogue that was initiated during the past administration and that my government will continue.

Regarding Venezuela and other countries eventually joining the Andean Pact, we hope that does occur, but it will not be our sole objective. Our ministers are already trying to reach bilateral agreements with other countries to place our agricultural and industrial products in as many countries as possible.

To conclude, I would like to say that perhaps I did not answer some of your questions to your satisfaction, but you can be sure I have answered sincerely. I have not tried to hide or disguise any information. I have spoken matter-of-factly.

Gentlemen, work is difficult when one wants to be honest and not a demagogue. I am never going to be a demagogue.

It would have been easier for me if I had decided that no change was necessary or not taken any responsibility for the adopted measures. I would still be a very popular man. But for how long? Until the people found out that by doing nothing I was doing the worst evil. I reiterate

what I said before: I did not accept the presidential mandate out of pride. I am proud of being your president, but pride was not the main reason. I did not accept the presidency to enjoy the power of the presidency, either. I exercise this power most humbly, as I said on 10 August. I have accepted the presidency to serve the country better. The same goes for my aides.

If at any given moment I make errors, we will correct them. I will always maintain this attitude of frankness toward you.

I want to tell you something I told the small group of journalists that met with me at noon today. Many of those who were at that lunch and many of you who are here now probably did not support me during the electoral campaign and did not vote for me, but a majority of Ecuadoreans decided I should be their president, and now I am their president. If we really believe in democracy, I believe that your duty as Ecuadoreans is to try to report the work of the government and of the president as objectively as possible.

I am not asking you for praise or to act contrary to your way of thinking and principles, but I am asking that if any of you have been operating based on political positions only, think about whether the interests of the country are above the criticism with which I may be tagged and ponder whether such criticism will benefit the country or if it is just an expression of passions that at this moment should be filed away.

I sincerely ask you to give me the benefit of the doubt. I have been in office for only 37 days. I believe that if I secure the support I am requesting, not for myself but for the country, we will be able to find the new path we have discussed.

I expect to be able to meet with you again in about 30 days to talk again with the same zeal and frankness we have enjoyed today.

Thank you very much. Good night.

Paraguay

Garcete, Oviedo Deny Coup D'Etat Rumors

PY2109195692 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1605 GMT 21 Sep 92

[Text] The military instruction period for 1st Corps recruits started today during a ceremony at the RC4 [4th Cavalry Regiment] Aca Caraya.

[Begin unidentified reporter recording] Army Commander Humberto Garcete headed the ceremony, which was opened with a lecture by 1st Corps Commander Lino Cesar Oviedo. After the national anthem, officers, NCO's, and recruits observed a parade by experienced horsemen and mechanized equipment.

Referring to the importance of this new instruction period, General Lino Cesar Oviedo said this is in compliance with the new Constitution, which establishes a one-year mandatory military service nationwide.

Moreover, Gen. Oviedo discussed the current military situation and denied any alleged disagreements among Armed Forces members. After noting the ceremony's importance, Gen. Humberto Garcete said that he has excellent ties with Gen. Lino Cesar Oviedo. He added that rumors about an alleged coup d'etat are nothing more than rumors. He also said he will mediate so the military court will order Colonel Luis Gonzalez Rojas to appear before court this afternoon. In addition, Garcete said he is personally interested in clarifying the incidents surrounding Gonzalez Rojas' arrest because his own name is involved.

There was great camaraderie among the officers and commanders attending the ceremony that took place this morning at the seat of the RC4 Aca Caraya command. [end recording]

Answering questions, Gen. Lino Cesar Oviedo later said that rumors about an alleged coup d'etat are being promoted by vested interests and they are completely false.

[Begin Oviedo recording in progress] ...characteristic of a democracy within the framework of which some may promote these rumors for their own selfish interests.

There is complete harmony within the framework of the Armed Forces and there is complete agreement with the leadership of our commander in chief.

I can assure you that all of us in 1st Corps are working in complete harmony and agreement with the leadership exercised by our commander in chief and our Army commander.

As I have learned from the press, there is an engine of rumors. These obviously are pursuing several objectives. But the Armed Forces members are unaware of any concern in this regard.

Looking back I can say that the Armed Forces will never trample the glorious merit of being perhaps the only Armed Forces in the world that went to battle to oust a dictatorship.

Do you believe we would destroy this accomplishment by adopting a negative reaction and perpetrating a coup as described by the press? What for? What would be the objective of all this?

National and international sectors detest any political system other than democracy and any economic system other than a market economy. These two systems must necessarily coexist to achieve national development.

We uphold this position and this was proven on 2 and 3 February 1989 [date of the military coup]. As I have just mentioned, no circumstance or promise will dissuade us

from this objective because moral and spiritual values cannot be easily trampled. [end recording]

As reported earlier, Gen. Garcete and Gen. Oviedo have asserted that they are on good terms and there is no disagreement between them as was rumored.

[Begin recording] [Garcete in progress]...are completely normal as they should be between friends and between a superior officer and his subordinate. Therefore, I categorically deny any disagreement. There cannot be disagreements in military life. We are disciplined. If we disagree with the orders imparted by our superiors we can resort to the proper channels to express our disagreement. There cannot be anything other than understanding and discipline. This is what we are here for. At any rate, I would like to categorically deny these reports because, in addition to being a subordinate, Gen. Oviedo and I have a long-standing friendship.

[Unidentified reporter] What does Gen. Oviedo have to say about all this?

[Oviedo] Without being too precise I can say that our friendship dates back 40 years and some months. Throughout these many years, we have never had any disagreement in either our military careers or in our friendship, which stems from our own respective families.

[Reporter] Lastly, Gen. Garcete a question about a most important issue that has caused the concern of all the people this weekend, that is, an alleged troop movement and coup d'etat. Can this be categorically denied? Can people rest assured that these rumors are false?

[Garcete] The people, citizens in general, can rest assured that there is complete harmony within the Armed Forces, that there is complete respect for our commander in chief, and that, therefore, there is no possibility of the Armed Forces rupturing the institutional order.

The Armed Forces are here to safeguard the institutional order, and I can assure you that all of us together will support this process to ensure its success because this is what Paraguayans deserve. [end recording]

In conclusion, Gen. Garcete said that Col. Luis Catalino Gonzalez Rojas will appear in court today. He added that there is no clash between the military and civilian courts.

[Begin recording] [Garcete] Each must act within the framework of its jurisdiction. I believe that the military court will rule on military matters and the civilian courts will rule in their jurisdiction. I believe there is no clash.

[Unidentified reporter] Will you support the civilian court request in order to help achieve a solution to this issue, which has become a struggle between civilians and the military? Will you mediate so that Col. Gonzalez Rojas can appear before court to testify and thus try to ease this tense atmosphere?

[Garcete] I will be delighted to do so. I will address this issue this morning with the chief justice... [changes thought] But you know I do not want to meddle in this because I do not want people to believe that I have vested interests in this issue.

I am interested in finding a solution to this issue for the good of the Armed Forces, the honor of the Armed Forces, and the honor of the Army commander and all the generals accused by Col. Gonzalez Rojas.

[Reporter] If you are interested in achieving a solution, will you take a step in this direction?

[Garcete] Yes, of course. I will be delighted to do so. I believe that Col. Gonzalez Rojas will appear before the court today. I believe he will do so because we uphold the law and we want to clarify this situation for the good of the Armed Forces and for the good of all of us. I am particularly interested in clarifying this situation because my dignity and my honor are at stake, and, despite my innocence, I cannot have people doubt my honor in my capacity as head of the glorious Paraguayan Army.

[Reporter] We can assert that Col. Gonzalez Rojas will appear before the court?

[Garcete] I am certain he will appear in court. [end recording]

'No Power Vacuum' Exists

PY1809162292 Asuncion ABC COLOR in Spanish 18 Sep 92 p 2

[By special correspondents from Carapegua]

[Text] Military Household Chief Division General Anibal Romero yesterday reaffirmed that the Armed Forces remain loyal to President Rodriguez, and regarded as necessary the communique issued on 16 September "to the Paraguayan people" by the military commanders "because it seems that certain segments of society seek to hint that a situation of weakness and lack of firmness is prevailing so that the local and international public can interpret it as a power vacuum, a situation that we will in no way accept."

Romero said: "There is no power vacuum." He then recalled the February 1989 coup by stating: "We took to the streets to oust a dictatorial and corrupt government and to restore democracy, and, if necessary, to harden our position with pleasure. People should rest assured that we will harden our position when necessary so that this democratic process can be consolidated, because this is the only way the Paraguayan people can enjoy well-being and happiness."

Asked how the word "hardening" could be interpreted, he said: "This word is intended for all those people and sectors that seek to make attempts against this democratic process and to destabilize General Rodriguez' government."

He did not specify the name of any person or sector, but made it clear that "you can rest fully assured that, if necessary and with great pleasure, we will take to the streets again to defend this democratic process."

Asked about rumors of possible friction with 1st Army Corps Commander General Lino Cesar Oviedo, he said: "There can be no friction within the Armed Forces whatsoever. We took to the streets and Gen. Oviedo was one of the key men in that process, and, consequently, I see no reason why he would try to disrupt it. On the contrary, our only goal is to accompany Gen. Rodriguez until democracy is consolidated." He added: "No personal interest will make us to break a friendship of more than 30 years."

Asked why Oviedo's signature was not included in the latest communique issued to the Paraguayan people by the commanders to ratify their loyalty to Rodriguez, Romero said that in signing it, Army Commander General Ramon Humberto Garcete already was representing all commanders including Gen. Oviedo. He said: "All Armed Forces members endorse a common position, that is, full loyalty to the president of the Republic."

Asked about his personal relations with Oviedo, Romero stated: "We were colleagues in the Military School. We have been friends for more than 35 years and no doubt should be cast on our friendship. We served in the same military unit for 20 years. We are comrades in arms; we supported the same cause during the revolution, and we consider ourselves to be very loyal to President Rodriguez."

Romero said that all Armed Forces members support the struggle against corruption demanded by the people. He said: "President Rodriguez is obviously among those who are very interested in eradicating corruption, and we strictly obey the military rules and consequently will not disobey the president's demands."

Asked about Gen. Oviedo's recent refusal to make remarks to the press, Romero said: "Gen. Garcete, Navy Commander Eduardo Gonzalez Petit, Military Aeronautics Gen. Jose Cespedes Zarza, and Chief of General Staff General Eumelio Bernal are the only people authorized by the president of the Republic to make remarks to the press. Nor am I authorized to make remarks, but I am doing so in this particular case because this situation must be clarified."

When asked why Oviedo no longer shows up at official events frequently, he said that this is probably because of his many responsibilities considering his broad jurisdiction. He said: "Oviedo is probably in Curuguaty, Concepcion, or San Pedro controlling the military units."

Romero then noted that problems cannot easily arise within the Armed Forces "because we are subject to discipline and if any officer refuses to do it, he will be immediately dismissed. The president will take the appropriate measures and you can rest fully assured that the Armed Forces will respect the decisions made by the president."

Asked what would they do if a senior officer is the one who refuses to observe discipline, Romero said: "No matter who that person might be, including Gen. Regis Romero."

Rumors Linked to Agitation Campaign

PY2109185492 Asuncion ABC COLOR in Spanish 20 Sep 92 p 5

[Text] Interior Under Secretary Juan Carlos Galaverna yesterday refuted persistent rumors of a possible coup d'etat and urged the citizenry to relax and remain calm. Galaverna said: "It is easy to see that there is absolute tranquillity." He explained that the rumors were part of an agitation campaign orchestrated by certain political circles, but did not mention the actual source of the rumors.

Galaverna told a radio station that in view of the persistent rumors of armed uprisings he toured various strategic locations of the capital and conveyed to news media "his eyewitness report of tranquillity."

The deputy interior minister said: "I am aware that several radio stations have received telephone calls that sought to disturb the people. We have ascertained that these calls were part of an agitation campaign. There is a rumor factory that takes advantage of the easy access to news media to generate this sort of thing."

Galaverna stressed that politicians should engage in politics because "the military issue is being handled at the appropriate level."

He stated: "I believe that the Armed Forces have a commander in chief who has duly shown in times of peace and in times of war his authority over his subordinates and we must all help to create the right atmosphere for the transition to democracy."

Galaverna explained that during the wee hours of 19 September he was also taken in by the rumors and went around the city for several hours. "Very reliable people called to tell me that power and telephone services to the Cavalry and the Air Force were cut at 0200 local time," Galaverna said.

He jokingly added: "I too got taken in by the rumors after hearing around midnight that [Army Commander General] Humberto Garcete had arrested [1st Corps Commander General] Lino Oviedo, that Oviedo had arrested Garcete, that the tanks were refueling at the service station on the corner of San Martin Avenue and the highway to the airport, and that one of the drivers got out of his tank and ate a hot dog before going off to blow up some building. That is how far the rumors went."

Galaverna stressed: "I believe that yesterday I toured Asuncion as I have never done before. There is absolute

tranquillity, as anyone could easily see. There were no double sentries, no special security measures at Government Palace, or at the Navy headquarters, or at the Presidential Guard headquarters. Everything is normal."

Demonstrators Call For Colonel Gonzalez's Release

PY1909121092 Asuncion ULTIMA HORA in Spanish 18 Sep 92 p 14

[Text] During a demonstration in front of the national Congress at noon today, representatives from various social strata called for Colonel Luis Catalino Gonzalez Rojas' release and an all-out struggle against corruption.

In response to a call issued by the Movement for the Organization of High School Students (MOS) [Movimiento por la Organizacion Secundaria], some 200 people marched to the national Congress where the Joint Congressional Investigating Committee for Illegal Activities was meeting for the first time. The demonstrators called for the punishment of those guilty of acts of corruption reported by the arrested colonel and to clean up the Armed Forces.

"There are only a few of us today demanding justice in our country, but we are sure that we have the support of many citizens among whom are many Armed Forces officers who want a better country and who are ready to put corruption behind them, following the example of Col. Gonzalez Rojas," said Marcelo Duarte, a Movement for National Accord [Movimiento Encuentro Nacional] member who spoke at the rally.

Senator Waldino Ramon Lovera, who met the demonstrators on behalf of the investigating committee, encouraged them by saying that "each Paraguayan will have to cooperate directly with this committee to allow it to investigate the serious charges of corruption that are cropping up to the point of jeopardizing the stability of Paraguay's democratic process." Sen. Lovera met with the demonstrators on behalf of the joint investigating committee.

Col. Gonzalez Rojas' relatives were special guests at the rally during which several speakers repudiated the colonel's arrest.

Military Court Not To Let Gonzalez Testify

PY1909170292 Asuncion ULTIMA HORA in Spanish 18 Sep 92 p 14

[Text] Rear Admiral Andres Ramon Legal, the Supreme Military Court president, has sent a note to Judge Jose Agustin Fernandez to inform him that the Commander in Chief's Office will not present Colonel Luis Catalino Gonzalez Rojas to the courts of law because he is under preventive custody and has been charged with "serious slander."

Legal also reported that he will not send the case records in keeping with Articles 233 and 236 of Law No. 117385 of the Customs Code, and that, pursuant to the orders issued by the Armed Forces commander in chief, these records have been submitted to the General Customs Directorate.

In keeping with the official note sent by the aforementioned judge, the response was that the aforementioned colonel will not appear before the judge and that the military courts will send a note explaining that the colonel is under arrest in keeping with a military pre-trial inquest against him.

In this regard, military prosecutor Osvaldo Gonzalez indicated: "The colonel is under arrest at the Presidential Guard. He is free to receive visitors. The colonel is under the jurisdiction of the military courts."

Nevertheless, the military prosecutor made it clear that this circumstance does not represent an obstacle to the courts of law in pursuing the appropriate proceedings, but, in order to do this, the courts of law necessarily will have to visit the colonel where he is being held under arrest. This, in practice, means that if the judge wants the colonel to testify he will have to visit him in the place where the colonel is being held under arrest.

Reluctance To Cooperate

In keeping with this situation, attorney Ruben Dario Cardenas said: "The attitude of the Commander in Chief's Office of not sending the detainee to the courts of law represents a contempt of court as established in Article 333 of the Code of Penal Procedures. This article clearly establishes that witnesses represent a public burden and that a judge even can order the arrest of a witness who is reluctant to cooperate with the courts."

The attorney, who confirmed that this situation represents a contempt of a court order, added: "In this specific case, this represents a failure by Col. Gonzalez Rojas to appear before the judge because, as has been reported, he is under arrest following military courts orders. At any rate, this does not disqualify the military courts from authorizing an appearance before the judge under safe custody."

Commander's Detention

Attorney Cardenas indicated: "The first failure to appear before the judge would be justified in this way; the second failure would be with the admonition of ordering his arrest. In this specific case, I repeat, he is held under arrest and cannot appear before the judge on superior orders from the Commander in Chief's Office. Therefore, the admonition is transferred to the person who allegedly is preventing his appearance before the judge, that is, the Armed Forces commander in chief."

Attorney Cardenas noted: "This means that the judge could ultimately order the arrest of Col. Gonzalez Rojas, who says that he cannot testify because he is under arrest following superior orders. And, in this case, the judge

could order the arrest—to the sole effect of appearing before the judge—of the Armed Forces commander in chief."

President Rodriguez's Private Secretary Resigns

PY2109213092 Asuncion ULTIMA HORA in Spanish 21 Sep 92 p 9

[Summary] Dr. Eladio Loizaga has submitted a formal note resigning as private secretary to the president of the nation. Loizaga explained in his note that he is resigning to work full-time in politics. According to Loizaga, he "talked with the president and we agreed that I will engage in politics but I cannot do it from Government Palace." Loizaga will join the team of presidential hopeful Gustavo Diaz de Vivar.

PRC Expresses Willingness To Establish Ties

PY1809155492 Asuncion HOY in Spanish 18 Sep 92 p 21

[Text] A high-ranking PRC official has said that the Beijing government wants to establish diplomatic relations with Paraguay. This information has been conveyed to a Paraguayan congressional delegation headed by government Deputy Sandino Gill Oporto that is visiting that Asian country,.

The PRC's willingness to establish relations with Paraguay was conveyed by CPC Politburo member Wu Wueqia [name as published]. Wueqia told the Paraguayan lawmakers that his country will welcome all Paraguayan delegations. Wueqia made these remarks during a meeting with the Paraguayan delegation, which arrived in Beijing on 11 September and will stay in the PRC until the end of this month.

The PRC politician said the two countries can hold nongovernmental contacts before establishing diplomatic relations, in order to promote mutual understanding. It should be noted that for some years now the PRC and Paraguay have engaged in indirect commercial operations through which PRC-made products have been sold in Paraguay.

Deputy Gill Oporto said that the delegation he presides over "will work hard" to promote relations between the two nations in order to foster economic and commercial cooperation.

According to an EFE news agency report, the Paraguayan delegation, which was invited by the Chinese Association for International Understanding, in the next few days will visit the PRC cities of Xian, Nankin, Wuxi, and Shanghai, among others.

The delegation is made up of three government and two opposition lawmakers. Paraguay maintains full relations with Taiwan. The visit by this congressional delegation opens the doors of one of the world's biggest and most densely populated countries for Paraguay.

Relations 'Not in Government's Plans'

PY1809170892 Asuncion HOY in Spanish 18 Sep 92 p 21

[Text] A few minutes before departing for New York, Paraguayan Foreign Minister Alexis Frutos Vaesken said that the interest expressed by the PRC in establishing relations with Paraguay is very commendable, but he pointed out that a country cannot maintain diplomatic relations with Beijing and Taiwan at the same time.

Upon learning that the PRC expressed interest in establishing relations with Paraguay, Frutos Vaesken said that our government currently maintains relations with Taiwan, with whom we maintain trade and from whom we receive considerable financial cooperation. "Establishing relations with the PRC is not in the government's plans for the time being," the foreign minister said in answer to a question about the interest of the Rodriguez administration in establishing diplomatic relations with Beijing.

The minister said he understands the PRC's importance in the international scene, considering its large population that could constitute a huge consumer market for Paraguayan products. Our country is in the same situation as others, and the formula we apply to overcome this political problem is to maintain relations with the PRC and to maintain trade offices in Taiwan to have access to the two countries without creating diplomatic discomfort. Paraguay could maintain relations with the PRC and eventually establish trade offices in Beijing, or any other important Chinese city, to have access to its large market.

Regarding the mission of the Paraguayan congressmen who travelled to the PRC, the foreign minister said that no mission was entrusted to them by the executive branch. He said they travelled there only because they accepted an invitation from a PRC organization and to become acquainted with the PRC's current reality.

Taiwan Ties To Remain 'Cordial'

OW1909084992 Taipei CNA in English 0815 GMT 19 Sep 92

[Text] Asuncion, Sept. 18 (CNA)—Relations between Taiwan and Paraguay will remain cordial, Paraguayan President Andres Rodriguez said Friday [18 September].

The president made the remarks while receiving ambassador Kuo Chung-ching of the Republic of China [ROC] at the headquarters of the Armed Forces. Close friendship between the two countries will not be affected by the actions of a few persons, he noted.

He was referring to a current visit to the China mainland by six Paraguayan deputies. During the visit, it was reported, Communist Chinese officials expressed their hope for establishing formal ties with the Asuncion government.

Commenting on the report, Foreign Minister Alexis Frutos Vaesken stressed that Paraguay does not have any plan to set up diplomatic relations with Mainland China, adding that his country is maintaining cordial ties with Taiwan.

Moreover, speaker Jose Antonio Moreno Reffinelli of the Chamber of Deputies said that his chamber did not authorize the six deputies to hold talks with Peking authorities during their "private" visit there.

However, informed sources said that the six deputies will make a report on their visit in Peking to the chamber.

Peru

MRTA, Shining Path 'Terrorists' Surrender

PY2109223792 Lima EXPRESO in Spanish 12 Sep 92 p A10

[Article by Israel Galvan]

[Text] Huancayo—Approximately 100 terrorists from the Tupac Amaru Revolutionary Movement [MRTA] and the Shining Path organization surrendered to 31st Army Infantry Division authorities based in this city in the last few weeks. They asked to be granted protection under recent Decree Law No. 25499, which reduces penalties for or pardons repentant terrorists.

High-ranking officers reported that after being identified the terrorists asked authorities to protect them and their relatives. The military declined to comment on the terrorists' whereabouts. It has been learned, however, that many of them, especially those who were obliged to join the subversive organizations, have become members of peasant defense patrols, where they will be granted full security.

It also was reported that the terrorists surrendered in separate groups after agreeing to give up subversive activities in light of the repentance law. It has been learned that most of them were recruited in peasant communities after they received death threats against their closest relatives.

A terrorist said: "We had no other choice. They were determined to kill us or our wives and children if we did not join them." He said he had a clear conscience, and, most important, the possibility of meeting his relatives very soon.

Local military authorities reported that some 300 repentant terrorists, including various Indians, surrendered in the Ene River Valley, some 200 km east of Huancayo, in the central jungle.

The Indians told the military they were forced to obey the terrorists, who threatened to kill them if they disobeyed orders.

The repentant MRTA terrorists came from the Santa Ana and Pichanaqui zones in Chanchamayo, Satipo, and Paucartambo in Oxapampa Province, in Cerro de Pasco.

Almost 230 subversives surrendered at those sites, and in order to prove their sincere repentance they showed authorities the places where they stored weapons and long-wave radio equipment. The military forces seized three Yaesu and Spiissuri radios, large amounts of subversive material, and medicine for the wounded.

A military operation known as Tornado was carried out in the Ene valley in the past few days in order to rescue hundreds of Ashaninkas children kidnapped by Shining Path terrorists.

A patrol of 120 soldiers and 376 Indians deployed in an area of 1,890 square km in the past 20 days. They rescued 95 Ashaninkas, including men and women between seven and 18 years old.

During the operation, Corporal Jose Quispe and three Indians died and two were seriously wounded in a clash with a Shining Path column.

The Army has rescued more than 3,000 Ashaninkas so far this year. They are being held at various local military bases.

During the clash, military forces seized hundreds of dynamite sticks, grenades, home-made bombs, shotguns, revolvers, FAL rifles, ammunition pouches, a mouse-type trap, and nails covered with excrement that cause gangrene in a few hours.

Shining Path Presence in Colombia Reviewed

PY2109223592 Lima LA REPUBLICA in Spanish 13 Sep 92 pp 20-22

[Article by D. Paulette]

[Excerpt] In downtown Bogota, in front of the Cafetalero Bank, you can buy the international Spanish issue of EL DIARIO. If you visit the National University, you will see signs that "defend the Peruvian revolution of the Communist Party of Peru" and are signed by the "Red Brigades." You also can find leaflets from the Committee of Support for the Peruvian Revolution in poorer Bogota neighborhoods. You will find EL DIARIO and explanatory lectures in unions in Bogota and in other cities like Manizales and Medellin. There are also holdups by hooded armed men who claim to be the guiding light of the world's revolution. All this, and much more, reflects the growing presence of the Shining Path in Colombia, a presence that has caused serious concern among many people, taking into account the crisis in neighboring Peru.

A Shining Path delegation visited Colombia some weeks ago. After extending carefully confidential invitations, the delegation met radical personalities who listened to

Shining Path proposals and debated delegation members. The majority of those who met the delegation raised objections to the lack of respect the Shining Path has for human life.

The debate was harsh, but all questions were answered. According to the Shining Path, Maria Elena Moyano was "a corrupt leader and an agent of socialist imperialism," and other murdered leaders—who are less known—worked for the police in the creation of self-defense patrols.

Everything has an explanation in the Shining Path's logic.

However, even in Colombia, where life is worth nothing; where death hangs over community and peasant leaders, human rights advocates, politicians, and democrats; and where people are killed like in the Barrios Altos massacre of Lima in 1991; not even here could the Shining Path convince people.

Pro-Shining Path groups, however—though still marginal—are still working and are growing in neighborhoods, in the fields, and in unions.

They are known by the names of Red Brigades, Proletarian Flame, and so forth. They are small but they feel boosted by the growth of the Shining Path in Peru and by the violence and suffering affecting the Colombian people. They threaten nongovernmental organizations, community leaders, and whoever opposes them. They use the same methods.

In a country like Colombia, where within formal democracy there were—according to the National Statistics Office—24,033 murders in 1991; where political murders in the large, heterogeneous, and complex national territory reached 3,760 in 1991—and the figure for this year will apparently be close to this one; where children are raised amid crime in order to later join the union of henchmen; in a country like this, there are actually good chances for the growth of the Shining Path proposal. Traditional local guerrillas have operated for many years and caused many deaths. The M19 negotiated peace with the government some years ago, and some of its members are in the current cabinet. Despite this, they killed most of their leaders who engaged in legal political activities.

A guerrilla group like the Shining Path, which is actually harsh and more violent than Colombian guerrillas—something that many people find difficult to imagine, undoubtedly can succeed in Colombia.

There are seven Colombian regions in which paramilitary violence is very strong. In all cases, plenty of evidence has been found proving the participation of state forces.

Colombia, however, is one of the countries in which there are more opportunities for preserving human rights. The Gaviria administration has strengthened all those opportunities. [passage omitted]

Activities 'Rejected' in Belgium

PY2109211592

[Editorial Report] Lima EXPRESO in Spanish in its 11 September issue carries on page A6 a 500-word article reporting that Shining Path promoters in Belgium are "visibly isolated" and "without support." The article says that "the impairment of the image" of the organization is "the result of its own actions," such as the "genocidal" attacks "against civilians," all of which have been "rejected by the people of several countries, among them the Belgian people." The article quotes Peruvian Ambassador to Belgium Gustavo del Solar as saying that "the Shining Path began to lose support after the United Nations declared it a genocidal organization." The article quotes the ambassador as saying that the Shining Path representative in Belgium, Luis Arce Borja, no longer enjoys the support "of the people or the media." The article also quotes the ambassador as reporting that the Swedish Government on 30 August announced that it will expel 19 Peruvians linked to "subversive propaganda."

Explosions Reported at San Marcos University

PA2109185192 Lima Radio Programas del Peru Network in Spanish 1800 GMT 21 Sep 92

[Text] The police and Army control the situation at the San Marcos University campus, on Venezuela Avenue. Earlier, we had reported some explosions there. It seems some Shining Path members infiltrated and tried to create chaos, but luckily the police stepped in. Here is a report by Rocio Vicente.

[Vicente] In an isolated attempt to create unrest among students, five explosions were heard a few minutes ago at the San Marcos University campus. One of the bombs went off very close to the Law School, and another close to the Electronic Engineering School, but they did not cause major injuries or property damage.

Soldiers, who are stationed inside the campus to provide protection, quickly started firing into the air and inspecting the university buildings. In some cases, the Army requested personal identification papers. The situation is returning to normal now, and students are continuing their classes.

Guzman's Lawyer Comments on Defense Strategy

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[Text] Alfredo Crespo, defense attorney for Abimael Guzman, reported the interrogation of the Shining Path leader is to start officially on 21 September and will be carried out by members of the Counterterrorism National Directorate. Crespo said the strategy to defend his client will be based on regarding Guzman as a political prisoner.

[Begin recording] [Crespo, broadcast in progress]...today, as I said. That is what I have been told. We still have to coordinate with the officer in charge of the investigations.

[Unidentified reporter] What position will the defense take in this case?

[Crespo] Generally speaking, it is a political process and we will first present our arguments regarding the appropriate authorities and ask for Guzman to be passed to the common courts. We will also ensure he is tried in accordance with the penal code and he is given the guarantees of the right to a defense.

[Unidentified reporter] What is your basis for requesting he be tried by a civilian court?

[Crespo] I will base my argument on the American Convention of Human Rights of San Jose, Costa Rica, which establishes the right to an independent, unbiased, and autonomous court. [end recording]

These were statements made by Shining Path leader Abimael Guzman's defense attorney, who has stated that Guzman's interrogation will officially start on 21 September.

Privatization Brings $59 Million in Revenues

PY2109212092 Lima EL PERUANO in Spanish 11 Sep 92 p B1

[Excerpt] More than $59 million has been collected so far from the sale of eight state companies to private organizations, but this figure is not final because the income from the sale of Enatruperu [National Urban Transportation Enterprise] buses has not been included yet.

According to the plan drawn up by the Commission for the Promotion of Private Investment (Copri), which was headed by former Energy and Mines Minister Jaime Yoshiyama, the sale process for state companies was to be carried out in two stages. The first stage was to end in 1992 with the transfer of the companies considered "small" to private groups.

A Copri spokesman said: "The most difficult stage will begin in 1993." He added that the sale of the most important companies will begin next year.

The spokesman said: The system used in the country is different from the system used in Argentina. This system is used to overcome mistakes that might have been made in the first state. He added: "We will get ahead with the experience gained."

He said: The large companies, which are the ones that cause losses, will be sold using the short-range foreign debt papers that have no pending problems in their use as partial payment. The short-range foreign debt is about $800 million, and, to help the state, the foreign debt papers' value will be set at the current market price at the time of their use.

One of the criticisms made of the current privatization process is that with the worsening of terrorist violence and the recession affecting the country, it is not the appropriate time to sell companies. [passage omitted]